



AGENDA ITEM #3.7

REPORT TO CITY COUNCIL

Report Prepared by: Nancy Malecha

Date: December 3, 2019

Subject: 2020 BLAEDC Agreement

Report: Attached is the 2020 Funding Support letter and Agreement for Professional Services from the Brainerd Lakes Area Economic Development Corporation (BLAEDC). BLAEDC continues to be an integral part of economic development initiatives within the City as noted below.

- BLAEDC staff attends monthly EDC meetings and shares expertise to help guide the City in evaluating and making decisions related to the Heart of the Good Life Development.
- BLAEDC develops and maintains economic development tools to build awareness and have information readily available for businesses looking to start, expand, and locate in Pequot Lakes.
- BLAEDC developed and implemented initiatives such as the Unified Fund and the KEY Recruitment Program to help companies with financing and workforce assistance.
- BLAEDC continues traditional economic development efforts by working with individuals and companies to help them with their projects so we have private sector investment, jobs, tax base, and wealth in our community.

Council Action Requested: Council motion to accept the 2020 Agreement for Professional Services with BLAEDC in the amount of \$10,000.



Together...we are stronger.

The Brainerd Lakes Area Economic Development Corporation (BLAEDC) has an overall mission to Expand Business, Build Community, and Grow Jobs in Crow Wing County.

From the Cuyuna Area to our Lake Country, to Baxter and Brainerd, we have had significant economic growth this past year and can celebrate working together to make each of our communities stronger. BLAEDC has helped lead -- or been a strategic partner -- in multiple economic development efforts. We encouraged and supported private sector investments, assisted with gap financing, were instrumental in filling key positions to help companies grow, and supported multiple community development initiatives. We would like to highlight three of our growing economic development strategies this year.



A nearly \$3 million dollar pool of funds is now available to support business growth in our communities. The numbers are astounding with loans totaling more than half-a-million dollars with an average loan of \$88,500, and 66 jobs created or retained in only one year! Due to our success, BLAEDC has received inquiries from communities all across the state to help them implement similar programs. We are proud to be a partner in making our communities stronger together!



We are receiving national recognition for our creativity in helping to solve the workforce issues of our local companies. Our program has developed into a multi-prong approach to meet hiring needs including:

- Key Recruitment – We develop and implement attraction strategies to bring your company certain skill sets and management expertise
- Talent Marketing and Spousal Placement – We connect and network individual talent
- Consulting Expertise – We join hiring teams to help select talent
- Educational Presentations – We provide workforce insights to help plan for the future



BLAEDC EXEC Bruce Buxton is weaving together the numerous initiatives occurring in downtown Brainerd and building upon them. This past year has been exciting for energizing downtown. The City of Brainerd started a farmer's market in downtown, HRA secured additional grant funds to invest in downtown properties, art organizations located in town, a new mural was painted, riverfront planning and projects continued, new businesses started, property owners reinvested, and so much more. It's exciting!

River to Rail Community Event



Crosslake Community School Opens



Cuyuna Area Fiber Study



Women's Business Alliance Forum



2018 Economic Development Highlights for Crow Wing County



Brainerd/Baxter Area Circle

- Gullview Technologies Secures BUF Financing
- BUF Financing Provided to Brainerd Distillery
- Glacier Ice House Expands Manufacturing Operations
- Lexington Gains Expertise through KEY Talent Program
- LINDAR/Avantech Hires KEY Talent to Grow Company
- Essentia Health Adds Staff with Help of Talent Marketing

Lakes Area Circle

- Pequot Tool Utilizes the KEY Program for Workforce Hires and Development
- Growth Zone Expands to 90+ Employees
- BUF Financing Approved for Outdoor Insights
- Pequot Lakes Business Park Continues Its Strategic Planning

Cuyuna Area Circle

- Aeropipe Acquires Former Parker Hannifin Facility
- Graphic Packaging Utilizes KEY Spousal Placement
- Modified Tool Receives BUF Loan to Support Local Succession Plan
- CRMC Taps into KEY Program to Assist with Spousal Placement

EXECs Coach Downtown Finalists



Breezy Point Development Park



Brainerd-Baxter Opportunity Zones



National Loon Center Planning



2019 BLAEDC BOARD OF DIRECTORS

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Janelle Riley, Syvantis Technologies

Vice President

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Paul Means, RiverWood Bank

Jim Haakonson, CliftonLarsonAllen

Mike Dillon, Lexington Manufacturing

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Terry McFarlin, Anderson Brothers

CREDI BOARD OF DIRECTORS

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Dan Brown, Oars-N-Mine

Johnna Johnson, Mixed Company A Kava House

Kyle Bauer, Cuyuna Regional Medical Center

BLAEDC UNIFIED FUND BOARD

Chair Eric Charpentier, CREDI

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Mike Larson, BLAEDC

Gabe Johnson, Brainerd

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Mark Roach, CTC

Bart Taylor, Crosslake

Jeremy Millsop, Deerwood

Rosemary Franzen, Crow Wing County

Theresa Goble, Crow Wing County HRA

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Crow Wing County

Ed Menk and Cassandra Torstenson,

City of Brainerd

Darrel Olson and Brad Chapulis,

City of Baxter

Matt Kilian, Brainerd Lakes Chamber

Eric Charpentier, CREDI

BLAEDC ACCOMPLISHMENTS

	<u>2018 Accomplishments</u>	<u>Total Program Accomplishments</u>
BLAEDC Organization 1987-2018	15 Projects \$13.08 Million in Capital Investments 119 Jobs Created, 93 Jobs Retained	446 Projects \$707.06 Million in Capital Investments 5,013 Jobs Created
KEY Recruitment Program 2016-2018	13 Hires 12 Spousal Referrals 28 New People to the Area	24 Hires 12 Spousal Referrals 50 New People to the Area
BLAEDC Unified Fund 2016-2018	6 Projects \$5.14 Million Total Project Investment \$532,126 Total BUF Financing 31 Jobs Created, 35 Jobs Retained	7 Projects \$5.27 Million Total Project Investment \$556,626 Total BUF Financing 34 Jobs Created, 37 Jobs Retained



THE BLAEDC TEAM

Sheila Haverkamp, Executive Director

Mike Bjerkness, Workforce Director

Tyler Glynn, Economic Development Officer

Chelby Rediske, Marketing Coordinator

Megan Rehbein, Office Administrator



BLAEDC and CREDI have formed a strong partnership and work together to support economic development in Crow Wing County. Shared staff between the two organizations provide efficiencies and expertise throughout the region.

www.growbrainerdlakes.org • 218-828-0096 • 888-322-5232
224 West Washington Street, Brainerd MN 56401

EMERITUS BOARD MEMBERS

Chuck Albrecht, Mid-Minnesota Federal Credit Union

Tom Anderson, Integrated Retirement Initiatives

Timothy Bergin, Retired

Bruce Buxton, Retired

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John Newhouse, Retired

Angella Roby, Oakridge Woodview Services



June 2019

Re: BLAEDC 2020 Funding Support

Dear Mayor Tayloe,

As you know, BLAEDC has been exploring options to restructure and sustain funding for the organization to provide economic development services within the City of Pequot Lakes and all of Crow Wing County. This past year we held several *Informational Sessions* to share:

- BLAEDC's history,
- the traditional economic development services we provide,
- new programming developed including our workforce programs and the BLAEDC Unified Fund, and
- our need to have widespread support by all.

Based on the impact of our work and the need to have a professional economic development organization serving Crow Wing County, the BLAEDC board of directors is focused on the following:

1. Enhanced government funding needs to increase. BLAEDC's funding from government is a critical component of our annual budget. We have identified a 3-year goal to increase government funding from \$216,625 to \$250,000 by 2022 to eliminate negative budgets and retain our professional staff.
2. Private sector business membership is a priority. In the last few years we have increased contributions by nearly 60% to \$135,000 annually. We have a 3-year plan to continue securing private sector contributions, and hopefully reach \$150,000-\$200,000 by 2022.
3. New economic development programs, including our KEY Recruitment Program and the BLAEDC Unified Fund, have been positive for BLAEDC and the business community and need to continue. We plan to fine-tune and operate programs that will provide critical services and generate revenue that will help to alleviate long term funding increases needed from you.
4. Other opportunities are being explored by BLAEDC staff to continue bringing robust economic development programs to our community including entrepreneurial initiatives and succession planning.

As a result, we are asking the City of Pequot Lakes to consider a three-year funding commitment as follows:

Current Year 2019 - \$8,500

Year 2020 - \$10,000

Year 2021 - \$10,300

Year 2022 - \$10,600

Please advise if you would like BLAEDC representatives to meet with you to discuss our funding request. Your support and commitment to BLAEDC and economic development is sincerely appreciated.

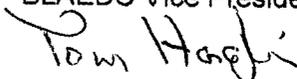
Attached: BLAEDC 2018 Report

Sincerely,
BLAEDC Board of Directors and Staff

Janelle Riley, Syvantis
Technologies
BLAEDC President



Tom Haglin, LINDAR
Corporation/Avantech
BLAEDC Vice President



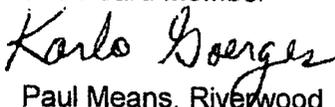
Mike Larson, Essentia
Health
BLAEDC
Secretary/Treasurer



Sheila Haverkamp,
BLAEDC STAFF
Executive Director



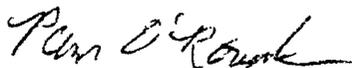
Karlo Goerges, Pequot
Tool & Manufacturing
BLAEDC Past President
and Board Member



Paul Means, Riverwood
Bank
BLAEDC Past President
and Board Member



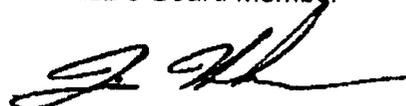
Pam O'Rourke, Integrated
Retirement
BLAEDC Board Member



Mike Bjerkness,
BLAEDC STAFF
Workforce Director



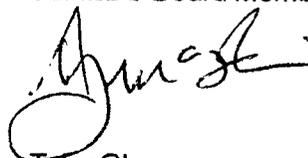
Jim Haakonson,
CliftonLarsonAllen
BLAEDC Board Member



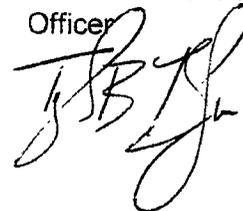
Mike Dillon, Lexington
Manufacturing
BLAEDC Board Member



Terry McFarlin,
Anderson Brothers
BLAEDC Board Member



Tyler Glynn,
BLAEDC STAFF
Economic Development
Officer





Brainerd Lakes Area
ECONOMIC DEVELOPMENT
Corporation

**AGREEMENT FOR PROFESSIONAL SERVICES
BY AND BETWEEN THE CITY OF PEQUOT LAKES
AND
THE BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT CORPORATION
FOR CALENDAR YEAR 2020**

Whereas, the City of Pequot Lakes desires to actively implement an ongoing program to assist in the retention and support of its existing business community, promote the location of new businesses in the community, and support economic development in Crow Wing County; and

Whereas, the Brainerd Lakes Area Economic Development Corporation (BLAEDC), a private non-profit organization created “To Expand Business, Build Community, and Grow Jobs in Crow Wing County”, has established a comprehensive program to accomplish this mission;

Therefore, the City of Pequot Lakes does hereby enter into this agreement with the Brainerd Lakes Area Economic Development Corporation.

I. SERVICES

BLAEDC does hereby agree to provide the following services on behalf of the City of Pequot Lakes:

- a) BLAEDC agrees to provide a focal point for economic development in the Pequot Lakes area, to assist businesses and industry with their site location needs, provide financial packaging services, and business planning assistance. BLAEDC will provide these services in cooperation with others.
- b) BLAEDC will provide community services and marketing programs throughout the year to fulfill its mission to expand the tax base and increase employment.
- c) BLAEDC does hereby agree to maintain an office within the Brainerd Lakes area to conduct its services under this contract.
- d) BLAEDC will provide annual reports to the City of Pequot Lakes on the activities and progress to fulfill the services identified above.

- e) A BLAEDC representative will attend City of Pequot Lakes meetings whenever appropriate or requested by the City of Pequot Lakes.

II. TERM OF CONTRACT

The term of this contract shall be one year, commencing January 1, 2020, and terminating on December 31, 2020.

III. COMPENSATION

Services Relating to Accomplishing Our Mission

The City of Pequot Lakes agrees to pay BLAEDC **\$10,000** for these services, payable in payments of **\$5,000** on or about **July 1, 2020** and **December 1, 2020**.

IV. REPRESENTATION

- a) The City of Pequot Lakes does hereby acknowledge that BLAEDC will be conducting similar and complimentary services throughout the 1,000 square miles of Crow Wing County. This acknowledgment recognizes that when BLAEDC successfully helps a company expand or locate in Crow Wing County, it ultimately helps the community of Pequot Lakes. Depending on the locality of the business, there could be employment opportunities for residents in your area and increased spending with local businesses. With the expansion of the economic base of Crow Wing County, it enables the community to stabilize and hopefully lower property taxes, and allow an expansion and enrichment of community amenities such as parks, service programs and the like.
- b) Each party to this agreement binds himself and his partners, successors, executors, administrators, and assigns to the other party of this agreement and to the partners, successors, executors, administrators, and assigns of such other party, in respect to all covenants of this agreement. Except as above, neither party shall assign, sublet, or transfer his interest in this agreement without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of any public body which may be party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the parties to this agreement.

IN WITNESS WHEREOF, the parties have executed this agreement in the City of Pequot Lakes, Minnesota on this _____ day of _____, 2020.

CITY OF PEQUOT LAKES

BRAINERD LAKES AREA
ECONOMIC DEVELOPMENT
CORPORATION

By Its Mayor

By Its President
Janelle Riley

ATTEST:

Its City Representative



BLAEDC Representative
Sheila Wasnie Haverkamp