

**Crosslake Economic Development Authority**

**Crosslake City Chamber**

**July 12, 2023**

***Mission Statement: To Develop and Promote the Economic Growth and Welfare of Crosslake While Protecting the Environment.***

**Agenda:**

1. Approval of past minutes:
2. EDA Updates:
  - City Comprehensive Plan
  - Business/Resident Survey
  - EDA recruitment
  - EDA website
  - Schedule/Meeting
    - August: Comp Plan
    - September: Website
    - July/August: Survey results
3. Introduction of Guest Speaker Dr. Tim Houle:
  - Received Education at Hamline University
  - Crow Wing County Administrator 2008 to current
  - Board of Directors for Center for Rural Policy and Development
  - Past President/Board of Directors Minnesota City/County Managers Association
  - And More
4. Next Meeting: September 6,2023
5. Adjourn:

Crosslake Economic Development Authority  
Meeting Minutes  
8:30 A.M. January 11, 2023 Crosslake City Hall

Members present: Dean Fitch, Patty Norgaard, Roger Roy, John Andrews, Sandy Farder, Marcia Seibert-Volz

Others present: Tyler Glynn, BLAEDC Executive Director; Peter Gansen, City of Crosslake Planning and Zoning Administrator; David Nevin, City of Crosslake Mayor; Martha Steele, Mission Township resident

The regular monthly meeting of the Crosslake EDA was called to order at 8:30 A.M. by Dean Fitch.

A motion was made by Patty Norgaard and seconded by Roger Roy to approve the minutes of the December 7, 2022 meeting with the following correction. "Comprehensive" be added to describe plan in the following sentence: The City Council has requested that the (Comprehensive) plan be reviewed and to create more specificity in the actions. No further discussion. Motion carried with all ayes.

2023 Planning Strategy:

History and Accomplishments: (Presented by Dean Fitch)

Mission Statement: To Develop and Promote the Economic Growth and Welfare of Crosslake while Protecting the Environment.

Long range goals are to follow the Mission Statement carefully and fully. History of community response calls for maintaining the natural resources and the "up north" flavor of Crosslake. Development must meet these goals.

EDA's role is to look ahead 10, 20, 50 years and ensure our mission statement is completely complied with. This effort calls for careful but consistent effort and not subject to the whims of current trends. How has EDA done so far? The following are a few highlights. Most of our projects repeat year after year to provide consistency.

Highlights:

The Unified Fund managed by BLAEDC issued its largest gap funding loan to date to a Crosslake company.

Bringing a 36-unit apartment complex to Crosslake.

Developed a new EDA website with the generous support of Tremolo and BLAEDC. The site will be previewed at the February 10<sup>th</sup> Council meeting.

Updated two sections of the City's Comp plan. A third section will be reviewed in the first quarter of 2023. The entire plan will be completed by the end of 2023.

Resources are always tight, but with the generous help of Tremolo Communications and BLAEDC we have maintained a very small budget. This new year, our budget is 1/3 of 1% of the city budget. Due to COVID, our goals were met for the last 2 years spending only 1/2 of 1/3 of 1%.

Guess you could say that the EDA function is the best deal in town.

As most of you know, you cannot cut your way out of a tight business situation, so we must continue seeking new potential tax revenue through development for Crosslake.

Housing Update:

Patty Norgaard summarized the long-term strategy starting with the HRA Housing Study and continuing with an inquiry into housing that evolved into a 36-unit apartment complex to be completed next spring. One housing project fulfilled. A housing symposium is being planned for April 5<sup>th</sup>. Housing for young families that are moderately priced has been identified as a need as well as a committee to facilitate

housing needs and solutions in Crosslake. John Andrews agreed to be a member of the committee. Local builders and contractors are key as they bring experience and knowledge, thinking outside of the box and bringing moderately priced homes into the market. Patty shared an email from Mayor Nevin regarding manufactured homes.

**Comp Plan Update:**

The Environment and Economic Vitality chapters have been completed. Next chapter is Recreation and Crosslake Park and Recreation are being involved. Emphasis is on outcomes and goals. It was noted that the Comprehensive Plan is a road map, and the goal is to update with appropriate changes.

**Organizational Plan:**

Presented by Dean Fitch—

Our Economic Development Authority Handbook dated October 2011 addresses officers, duties, and organizational issues.

Following these rules and the subsequent City Council mandate that two of our authority members are to be current serving council members.

There are seven members total (law required three minimum).

For 2023, Dean Fitch will serve as president; Patty Norgaard as vice president and Martha Steele as Recorder.

There is no limitation on the number of Alternates that may serve.

We also call on non-authority community members to serve on specific task forces based on need.

We welcome all interested community members to attend our meetings.

**BLAEDC Update:**

Tyler Glynn expressed his appreciation for all that Dean and Patty have done. A general update includes setting a road map in January including large projects started in 2022 rolled into 2023. A satellite office for the North Central Region Small Business Development Center has a new executive director providing services for businesses in Crow Wing County. The SBDC offers confidential one-on-one consulting at no cost to qualified individuals or business owners. The website development with Alison and Tremolo was a good process and will be presented to the City Council in February. Meetings with developers continue with the primary topic being incentives. Day care development continues to present challenges as well as affordable housing. What is affordable in Crosslake? Grants are available but cumbersome. Impacts of seasonal housing as well as local versus regional factors.

**EDA 2023 Quarterly Calendar:**

January 11

April 5

July 12

October 4

Additional meetings to be scheduled as needed.

Other:

City Council Meeting February 10  
Introduce new EDA website  
Present 2023 EDA plan

Roundtable Discussion:

Patty distributed copies of the Bylaws of The Economic Development Authority of the City of Crosslake. Marcia commented on the task force; EDA members appointed by City Council should have authority to do so. Peter stated the Comprehensive Plan is important to Zoning; land use is essential. Sandra shared that working with people is a priority in the current atmosphere; are there elements in community not prioritized? Tyler commented on the big box/corporate mindset; what does that really mean? Dean shared his appreciation and recognized the amount of talent contributing to EDA.

There being no further business or announcements, Dean Fitch adjourned the meeting at 9:55 A.M.

Martha Steele  
Volunteer Recorder

Crosslake EDA Quarterly Meeting  
Crosslake Area Housing – Opportunity or Dilemma  
April 5, 2023  
The Gathering

Attendees: Dean Fitch, Patty Norgaard, Mike Stone, Cindy Myogeto, Jackson Purfeerst, Mike O'Connell, Clay Porter, Aaron Herzog, Eric Charpentier, Dave Nevin, Steve Dahlke, Patrick Wehner, Joseph Sparks, Dan Miller, Carla Bainbridge, Peter Gansen, Pat Netko, Sandy Farder, Tim Houle, Halie Dalzell, Tyler Glynn, Alison Medeck, Jon Lubke, Martha Steele

**Welcome and Overview**

Dean Fitch      President

Thankful for fire power of attendees  
Bringing expertise to the table

**Crosslake Housing Community**

Cindy Myogeto   Crosslake Area Director - Brainerd Lakes Chamber

Here to listen

Handout: graph of 2020 Census

1016 travel into Crosslake for employment

243 live and work In Crosslake

752 live in Crosslake and leave to work elsewhere

Crosslake is a tourism community second to trades

Retail/Real Estate/Hospitality/Lodging & Food Services

Age of workers:

29 and younger-30%/30-54 years of age-44%/55 and older-25%

70% of workers make less than \$40,000/year

Tough for young families/young professionals to own house at current housing prices

Retirees are moving to where children live

Hospitality services struggle-jobs available

Unique to Crosslake: no grid type housing or older housing

Visitors to Chamber ask "what are housing options?"

Young professionals don't take jobs due to housing

Challenges not unique to Crosslake

Comments:

Examples of mid-range workers:

PA/LPN/Store managers/teachers

Seasonal hospitality getting creative--owners purchasing housing for employees

**BLAEDC**

Tyler Glynn      Executive Director

Brainerd Housing Crisis

Day Care Crisis

Everyone present shares an interest in this crisis

Impact of short-term rentals  
Importance of 2019 Housing Study-data is old but in-depth study valid  
Legislative update: money earmarked for housing-challenge is to greater MN as 65% metro  
Childcare grants developed using Federal funds  
Prior to pandemic, no focus on housing/workforce housing/childcare  
Three legs to the stool—housing, employees, childcare  
Constantly meeting with contractors and developers  
What is holding development back in each community? —what is affordable?  
Different in every community  
How to find funding to help with infrastructure?  
Cost is holding back development-increase cost in infrastructure and housing  
One thing holding back? Addressing infrastructure  
Concentrate on programs available  
Be creative  
Crow Wing County used Federal funds for broadband/childcare/housing  
BLAEDC office is open and ready to help with these issues  
Takeaway: housing crisis is real/daycare crisis is real  
Average wage of childcare worker \$15-\$16 range/how to increase wages, benefits  
Initiative Foundation grants available for childcare field at CLC/tuition paid  
Pandemic shifted landscape

Comments:

Not as seasonal as it used to be  
Influx of new people  
Housing study outdated?  
Challenge is understanding growth  
Crosslake offers great communication infrastructure  
What type of housing is wanted in Crosslake?  
Keep “Up North” feel  
What can the State/County do for communities?  
Land is available to develop, but no infrastructure  
Infrastructure is expensive

**Crow Wing County Land Use**

Tim Houle      County Administrator

**Tax Forfeited Property**

**Requirement/restrictions**

Crow Wing County the only outstate county that levies for housing-Housing Trust Fund  
Broadband is close to wall to wall with only a few pockets (mostly southern portion)  
Invested in daycare  
Need people to move here  
Don't have housing, don't attract people  
Handout of “Over the Counter Available Tax Forfeit Tracts City of Crosslake”  
Only two  
Crow Wing County can help  
Market failure for affordable housing  
Never focused on housing/broadband/childcare before until Fed funds received

Tax forfeited property availability over the counter if not sold on county website  
Managed forestry property-never take forests for purposes of housing  
Maybe city needs to think about housing needs  
Tools in the toolbox—County HRA  
Look at long term—largest generation followed by smaller generations/overbuilding  
Be careful—use tools in tool box but think long term  
Look at demographics

Comments:

What trends in demographics are seen?  
Retirees moving off lake but staying in community  
Generational gap  
Entry level jobs change  
\$160-180 thousand dollar homes available in past, nothing like that now  
Revitalization of old failed developments  
Lack of sewer and water  
What is the return on investment—entrepreneurial thinking  
Sharing risk—sharing reward

**CWC HRA**

Eric Charpentier                      Executive Director

Overview of Program  
Development Trust Fund

HRA's mission is to support affordable housing since 1966/155 throughout state  
Focus on low-moderate income individuals  
Affordable living unit—not spending more than 30% of income  
Have acquired and sold property for development in past/prefer collaboration  
Housing study forecasted the need for 4800 units by 2033/need will be sooner  
1500 units for workforce due to inflation/wage crusher  
Affordable homes income increased from \$20-50 thousand to \$86-210 thousand per household  
Cost burden housing—37% Housing/51% of renters  
Current housing stock aging  
Over half portion of programs to make sure housing is still there  
Housing Trust Fund-what can county do to utilize dollars  
\$1.4 million in fund/loans out for \$300 thousand  
Trust Fund considered to be gap financing/term 0% for 20 years  
How to entice developers /developments cost money  
Starting to see progress-what does the community want or need/takes time/collaboration  
County a great partner  
More information on website—brainerdhra.org

Comments:

How do projects come to HRA?  
Local units of government/BLAEDC/Banking sector/Real Estate professionals  
Housing Trust Fund long term/tool getting better over time

Good Partner

**First Western Bank and Trust**

Joe Sparks      Mortgage Loan Originator

FHA/VA Gov't Financing

Specific job—helping residential homeowners

Tons of options

Problem—very hard to utilize programs which prevents deals from happening

Selling home with government assistance goes to the bottom of the list

Challenges for young professionals to come with competitive offers

Building affordability—30% standard debt/income ratio, credit, assets, employment history

Gap financing

Comments:

Max loan on FHA/in general 96 ½%

FHA mortgages-actual loan amount higher than moderate to low

Above 95% of loans conventional vs government

More expensive programs

FHA program geared to borrower rebuilding credit

How often does mortgage funding get into other help?

Normal with FHA and Commercial

Perfect time-down payment program

Conventional loans – fewer requirements

Utilize conventional with gap financing

What is their buying power?

Varies significantly across the board

Conventional just debit/income ratio

**EDA Finance**

Dean Fitch      President

Can bond for some developments

Depends on the city

Need collaboration with city

Often used to get projects started

TIF approach

Another avenue—different people, different prices

Put puzzle together – be creative

Start with project – get money to make it happen

**Infrastructure**

Patrick Wehner      Public Works Director

Roads, sewer/septic, telecommunications, water

Finance how to pay for infrastructure



Out of reach financially  
Government money available  
Current system at half capacity/peak in summer  
Increased development requires more sewer/add onto the plant  
Roads: game plan—maintain—fix, complete, sealcoat

### **Next Steps**

#### **Comments:**

The city has to participate  
Think outside the box  
City does not own property  
Think ahead—20, 50, 100 years—open corridors  
How are we going to be a healthy community for young families?  
Front to back development  
Like to see city involvement  
City sewer substantial financing with help from city/county  
Does the city want to take it on?  
Poor job of incentivism  
City sewer is for business and housing developments  
Revised zoning—utilize land  
What is a reasonable profit for a developer?  
Continue conversation  
Wrong time to force it?  
Demographic—keep tracking—still may be a retirement community  
What is good for Brainerd is good for Crosslake  
    Same for all communities  
Special and unique characteristics plays to larger audience  
Planners for neighboring communities  
Lost vision of what zoning should be  
Take a hard look at existing and leverage what we already have and keep dialogue going  
What has worked in other communities?  
Not everything has to be in Crosslake  
A regional approach  
Active collaboration  
All county incentives are available to everyone  
    Challenge is giving money to for profit companies  
Competitive values  
Developers come forward/thoughtful orderly way  
Planned infrastructure—planning prevents the need for zoning  
Doesn't allow our people to be planners  
EDA is the vessel  
Look longer term  
Look at what you have for infrastructure  
Zoning=future/taxation=today