

**ECONOMIC DEVELOPMENT  
AUTHORITY  
MEETING**

City Hall Council Chambers  
June 8, 2026

**AGENDA**



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**1. Call to Order**

**2. Roll Call**

**3. Approval of Agenda and Consent Agenda**

These items are considered to be routine by the City Council and will be enacted by one motion. There isn't a separate discussion for these items unless a Councilmember so requests, then it is moved to the end of the Council Consideration Items.

a. Approval of Minutes

*- Motion to approve the following minutes:*

- *May 26, 2026, EDA Meeting*

**4. Commission Consideration Items**

**5. Public Hearings**

a. Purchase and Development Agreement and Conveyance of Certain Property Located at 6245 Brooklyn Boulevard

*- Motion to continue the public hearing regarding the Purchase and Development Agreement and conveyance of certain property located at 6245 Brooklyn Boulevard to the June 22, 2026, City of Brooklyn Center EDA meeting.*

**6. Adjournment**

## Council Regular Meeting

**DATE:** 6/8/2026  
**TO:** Economic Development Authority  
**FROM:**  
**THROUGH:**  
**BY:** Shannon Pettit, City Clerk  
**SUBJECT:** Approval of Minutes

**Requested Council Action:**

- *Motion to approve the following minutes:*

- *May 26, 2026, EDA Meeting*

**Background:**

**Budget Issues:**

**Inclusive Community Engagement:**

**Antiracist/Equity Policy Effect:**

**Strategic Priorities and Values:**

**ATTACHMENTS:**

1. 2026.05.26 EDA

MINUTES OF THE PROCEEDINGS OF THE  
ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF BROOKLYN CENTER  
IN THE COUNTY OF HENNEPIN AND THE  
STATE OF MINNESOTA

REGULAR SESSION  
MAY 26, 2026  
CITY HALL – COMMISSION CHAMBERS

**1. CALL TO ORDER**

The Brooklyn Center Economic Development Authority (EDA) met in Regular Session called to order by President April Graves at 7:35 p.m.

**2. ROLL CALL**

President April Graves and Commissioners Dan Jerzak, Teneshia Kragness, and Laurie Ann Moore. Also present were Deputy City Manager Daren Nyquist, Planning Manager Ginny McIntosh, Community Development Manager Ian Alexander, City Clerk Shannon Pettit, and City Attorney Siobhan Tolar.

Commissioner Kris Lawrence-Anderson was absent and excused.

**3. APPROVAL OF AGENDA AND CONSENT AGENDA**

President Graves moved and Commissioner Jerzak seconded to approve the Agenda and Consent Agenda, as amended, and the following item was approved:

**3a. APPROVAL OF MINUTES**

1. April 27, 2026 – Regular Session

Motion passed unanimously.

**4. COMMISSION CONSIDERATION ITEMS**

**4a. REVIEW OF ENTREPRENEURIAL FUND PROPOSAL**

President Graves noted this is a presentation; no action is required. Questions and comments are requested.

Community Development Manager Ian Alexander explained that Fortis Capital was engaged to structure a framework for the City to design to allow alternative funding sources to participate in the City's small business support efforts. This structure was intended to improve sustainability and

expand resources without burdening the City's tax base. This is modeled after the Minneapolis Ownership and Opportunity Fund. This model is designed to offer flexibility as the City's needs develop. This was the original plan that was brought forward and still is the plan that is being discussed; however, upon investigation, which did occur with hiring Fortis Capital, it was discovered that there were many other things that needed to be addressed with the City. Mr. Alexander stated that he So with that he would turn it over to Brian Smith.

Brian Smith stated that he was going to read his opening statement, "Good evening, my name is Brian Smith. I am the CEO of Fortis Capital, a commercial development finance company based in Minneapolis. I am also a resident of Brooklyn Center, for those of you who might not know. Last year, Fortis was approached by Brooklyn Center's EDA and asked if we could help with the City's Economic Development efforts by doing the following things: analyzing the current loan programs that exist within the City for effectiveness and impact. This was done by interviewing City Staff and business owners. Ten City Staff, and ten business owners, and part of the arrangement was that they would all remain anonymous, because you'll hear just as many bad things as you hear good things. And the last thing we wanted was for people to suffer any sort of consequence or retaliation within the City or outside of the City, not being accusatory, but that is just the way we like to do our work. We're also going to explore and develop the Entrepreneurial Equity fund, make recommendations for lending and grant products and programs that could help existing and aspiring entrepreneurs with access to much-needed capital. Those will be described later in the presentation. So you'll see those products and programs today. I'll also be giving you a little bit more information about Fortis Capital, a synthesis of the responses to the questionnaire, a synthesis of the gap analysis, and recommendations for programs and products to solve some of the economic development needs in Brooklyn Center."

Mr. Smith stated that Fortis Capital is a commercial development finance company started in 2019. It grew out of business needs in the City of Minneapolis, where he was an employee. He stated he was the Director of Performance Management Innovation department, and worked with the co-founder, whose name some of the Commissioners may know, Jim Terrell, and he was a manager of the Planning and Economic Development department. The goal was to help small businesses get access to capital, improve commercial corridors, and make affordable commercial space available to people. Fortis Capital started in 2019 and gave out its first loan in 2023. The mission and vision of Fortis Capital are their values, innovation, integrity, joy, and simplicity. He noted that it is important to be as innovative as possible, to operate with integrity, to have fun while doing it, but also keep things simple so that it does not complicate things that are already complicated when it comes to accessing capital, affordable commercial space, and doing development projects.

Mr. Smith added that the ultimate goal was to have people who currently rent their commercial space who are good business owners, and when talking about building generational wealth, if the business owner actually owns the commercial property that their business is in, whether receipts go up and down, the owner would always have leverage in the property that will continue to grow in value over the years. That was part of Fortis Capital's goal. For Fortis Capital programs, if President Graves wanted to open a business and would need some operating capital, or she needs money for the building and operating capital, and needs a loan of \$500,000, has five percent in

equity, but the bank is willing to give maybe another \$300,000, and there is a gap. That gap is usually what hurts people in smaller communities, communities of color, and those communities that actually need economic development the most, whether that is in-state or out of state. Fortis Capital was created to actually fill that gap in financing and take a risk where others would not, which allows Fortis Capital to let people get into businesses that otherwise would not be able to. Mr. Smith added that most people do not have \$100,000 to just go and get for equity in a project, and they do not have it in the bank, and can not get it from family members. When Fortis Capital fills that gap in funding, not only do they help get the deal done, but there is enough flexibility to allow the person or applicant runs into problems with payroll or unexpected expense and employees still expect them to get payments every month, Fortis Capital will look at the books and statements every month to identify where the problem is, as part of a participation and a loan and can alter their terms to make easier than a bank or a credit union can, because Fortis Capital does not operate under those same rules. Examples of this could be doing interest-only payments, or deferring payments for six months to a year, so the business can keep operating, and the business looks better, and it can resume payments. He noted that it is not only gap financing, but also allows flexibility for aspiring entrepreneurs when they run into trouble.

Mr. Smith explained the impact over the last three and a half years, and over that time period, Fortis Capital has lent out \$4 million, but it is now closer to \$5 million and has leveraged that into another \$33 million. He noted that typically, when they give a loan and then, with their partnerships with people that make the loans happen, there is \$7 leverage for every dollar that Fortis Capital puts in. Those deals that would not be possible with banks or credit unions, and this comes in, which then allows Fortis Capital dollars to leverage seven times as much, and this has helped with more than 314 jobs created now. Those 314 jobs are both full-time, part-time, and seasonal because Fortis Capital does a lot of construction and development loans.

Mr. Smith explained that he would now go over the findings for Brooklyn Center. The Brooklyn Center program gaps, according to what he was able to observe and after talking with business owners as well as Staff, are that there are insufficient funds and limited funding. The limited funding can only assist a few businesses. Limited flexibility with access to capital for businesses, and limited staff capacity restrict the administration of the current loan, and insufficient tools and training result in staff uncertainty. He added that most cities do not get into the business of lending, and if they do, they are larger cities that have certain programs and Staff that come from real estate and development backgrounds. He noted that the City he lives in does not have that luxury, has a small staff with limited resources, and does not have staff that is trained to manage a lending portfolio under any circumstance, regardless of what the program is for. Although businesses have tried really hard and just struggled, there are probably businesses that have not paid on their loans. City Staff have jobs to do every day, and managing this is something that is not a part of the job description, and it always gets put on the back burner, which can just be cumbersome and tiresome. Some of Fortis Capital's proposed frameworks that the Commission will see later in the programs are what they intend to address. He added that the products that he is going to be recommending for the City are appealing to financial partners because then everybody puts a little bit of skin in the game. The City would get access to more resources and measurable results, greater flexibility for business needs, and would not have to rely solely on TIF. He added that Brooklyn Center's

TIF fund is small and has typically been used to help fund Staffing needs in the EDA, and that is what is supposed to happen, but there is not enough left over for business deals.

Mr. Smith noted he would recommend an improved administrative framework that allows the Staff to administer a small-scale project or go to a third party like Fortis Capital to manage the fund for the City. The new framework goals are to, number one, help to attract funds to the City, improve small business support, stop the reliance on TIF, and improve loan compliance with the loans that the City currently has. The recommended programs are programs that Fortis Capital already has, and a few of them might meet the needs of the City. He noted that he decided to present all of them because it is always good to have the framework already available if the City has more access to capital, and if other partners can bring money into the City.

Mr. Smith explained that Fortis Capital has participation loans, revolving line of credit fund that the City could use at some point, a two percent forgivable loan program where Fortis Capital puts money into the City of Brooklyn Center if they decided to do it in smaller loans, for \$10,000 to \$20,000, it is interest only payments, and a third of the principal would be forgiven every year and then the City forgives the loan. He stated he knows the City of Brooklyn Center is in no position to be forgiven loans, and so it is just part of the products that are available, but it is not high on the priority list. Direct loans are what the City is doing now, but it is having problems managing those loans and collecting on those loans. The Entrepreneurial Equity Fund (EEF) is a form of a grant program where grants are given to commercial development, and the City forgives them over a period of time, typically 20 years. A portion of the EEF is forgiven every year, or it can be forgiven them all at the end; it depends on what the City decides to do, but forgiving them all at the end means that the business owner is left with a huge tax burden at the end, as opposed to making payments every other year or quarter.

Mr. Smith explained that the best option for the City of Brooklyn Center is the participation loan program, and, according to the City's estimation, for example, the City of Brooklyn Center has between \$100,000 and \$500,000 that can be made available for lending to small businesses and developers in the City of Brooklyn Center. That money, as part of a participation loan gives the City two options: it can be a part of a capital stack, that means the City can bring in bigger development, because it may be used for a \$1 million project, and the City can put \$50,000 into it, but that \$50,000 could be that gap that brings that business and helps with the tax base. This would also continue to help the City leverage more dollars for every dollar that gets put out the door.

Mr. Smith noted that the next option would be the Entrepreneurial Equity Fund (EEF). The EEF is going to take quite a bit of time to get enough money in the City's coffers to offer forgivable loans. The revolving line of credit could switch places and become the number two option, because a revolving loan and credit can actually act the same way that the participation does for existing entrepreneurs who may need a line of credit. He noted that Fortis Capital finds a business partner or banking partner who, if they need \$200,000, Fortis Capital will put \$100,000 in, the bank will put \$100,000 in, Fortis Capital leaves it in an account, the City draws it as necessary, and pays the interest. There is a term on a loan like this, just like any loan or equity loan, and that is typically three years. He noted that to date, everybody Fortis Capital has loaned money to has paid everything back. In almost five years, there have been only two defaults; there have been some technical defaults, but only two people have not paid Fortis Capital back in all the time that they

have been doing lending. He added that these products work, and the rest of the products available are at the bottom because the City should not get into direct loans simply because it does not have the Staffing for it. The City should also not look at the forgivable loans because it does not have money to give away in the short term. He noted that Fortis Capital also recommends selecting a partner to administer programs.

Mr. Smith pointed out that all the programs come with policies and procedures around lending, the application, forms that include everything from Staffing needs, eligibility criteria, servicing, loans, and the document in front of the Commission outlines all that can be used for any program or product, and can be tweaked based on whatever the City says is available. The Commission should make sure everything matches up with the policies of the City and the desires of the City. He noted that he could not figure out and probably could have asked EDA Staff, but he wanted to determine if the City of Brooklyn Center is more interested in Economic Development or Community Development, and the difference between the two is that Economic Development is about expanding the base through job creation, wealth building, and business attraction, while Community Development is people-centered. He added that the City should want to strengthen social equity, civic engagement, and overall quality of life, and it is about growing the pie, ensuring that everyone shares in it, not equitably in it, but everyone shares in it. He noted that he likes to merge the two and Fortis Capital and all the cities that they have worked with, which includes Kansas City, Miami, Atlanta, Brooklyn Center, Chattanooga, Tennessee, Rochester, New York; they have helped them move a lot of those operations outside of the city into nonprofit partners to help them

manage those products and leverage their money more. If Brooklyn Center wants to do both Economic Development and Community Development, the Commission should revisit some of the policies, procedures, mission, and vision of the EDA to ensure that it includes both of those, because

the City can get great Economic Development but can leave a lot of people out and then force a lot of people out. If the City is really cautious, careful, and intentional about its Economic Development, it could also include Community Development so that everybody benefits somehow. Everybody's not going to be a business owner, everybody's not going to be a part of it in that kind of way, but everybody should be able to benefit from it. This could include improved infrastructure, more businesses that meet the needs of community members, which means taxes go down because the City is bringing in more businesses and more people who are paying into the tax base. He noted that Brooklyn Center has an opportunity, unlike most cities, where there is land available. The City has all the highways, and most people would love to do things in a place where there is not all the hustle and bustle.

Mr. Smith added that Brooklyn Center is still considered pretty safe, and there are a lot of partners who are willing to come here if the City is very specific and very intentional about what it wants to build, how they want to build it, and who they want to build it for. It is difficult in the City because there has been a lot of turnover and a lot of changes. He noted that the EDA Staff have been extremely helpful in explaining that, but sometimes it is extremely difficult because there are a lot of people making a lot of decisions. He pointed out that the people he started off this process with are not the same people who are here now, so people are trying to catch up and are trying to be extremely helpful.

Mr. Smith stated that he would stand for questions now, but all of the things that he mentioned, the documents that he mentioned, the EDA Staff has them.

Mayor Graves thanked Mr. Smith and stated she would open it up for questions from the Commission.

Commissioner Moore thanked Mr. Smith for the presentation because it is certainly something that the City Council is very committed to in terms of Economic and Community Development. She noted that the City has large land parcels, and he has probably heard them talk about EDA Scattered Sites and selling those. She added that her primary question is in terms of the presentation; it sounds like Fortis Capital is looking at some sort of partnership with the City that might include funding small business development in the City. She noted that what went through her head is all of the state resources that include the small business assistance office, the small business assistant loans, a very dedicated small business association micro-loan specifically for women, minorities, and low-income individuals at the state level. At the county level, there is Elevate Hennepin, which is huge, with no cost to anyone who is looking at resources to start a business. Locally, there are also CAPI and Acer, which have received funds to help support specific groups. She explained that CAPI and Acer offer assistance when it comes to business development, and the entrepreneurship incubator, as well as Acer, has revamped and renovated its space at Shingle Creek. There is also a regional small business center in Brooklyn Park that is for anyone to use, which has staff available or space available, but is focused on entrepreneurs and incubators. She stated that Mr. Smith talked about filling a financial gap for some individuals, but the City likely does not have the money to invest in what he is proposing. She asked how Fortis Capital would set itself apart from all of the other organizations and resources at both the state, county, regional, and local levels that are providing the support.

Mr. Smith responded that Fortis Capital is a lender that offers top-notch technical support. The programs that Commissioner Moore mentioned at the state level, individual business owners can not be a part of those programs. Those state programs are grant-funded programs, and they use companies like Fortis Capital, Neon, or other business centers that can actually offer some of the technical assistance, but not everybody is a lender. So the programs that Commissioner Moore mentioned all provide technical assistance, but they are not lenders. Fortis Capital is a lender and offers technical assistance to the people who borrow from them because they want to get paid back, and they want their partners to get paid back. He noted that what cities and the state struggle with is a model of technical assistance where people sign up as technical assistance providers, give you a couple of hours of technical assistance, or bring in 30 people who may have 15 different types of businesses, and then somebody does an accounting workshop, and everybody in the program walks out with accounting knowledge, but that may not be relevant to their business. If the business owner speaks Spanish, those same resources will send them to somebody to help them start a business, sustain it, and some people need help growing it, but all will be sent to technical assistance that is not necessarily relevant to what they need, but may fit culturally or speak a certain language. He noted that the answer is that those programs do exist, and Fortis Capital, as a part of some of those programs at the state, can leverage the state's dollars as a lender. In some of the programs, like the loan guarantee program, Fortis Capital can refinance certain loans. If people

come to them as business owners in the City of Brooklyn Center and are part of the loan guarantee program, they can make sure that the City's money is part of the loan guarantee program. So if a resident qualifies, the City can put their money into a loan that qualifies for the loan guarantee program, and it is guaranteed up to 80 percent of the loan, up to \$800,000 per loan. Fortis Capital is a part of that state program, and not many people are part of that program. The state is getting more stringent about who is allowed to be in those programs. Fortis has a really good reputation and is a part of three other programs at the state, and would be able to leverage those funds here to help with business owners, aspiring entrepreneurs, current entrepreneurs, and people who are looking to grow. He is not aware of anybody else in Brooklyn Center who actually can offer that. He noted there was a discussion about managing the City's loan portfolio and what that would look like for a small fee. That fee is something that the City could probably afford out of each one of the Commissioners' pockets right now for the year. He added that the whole point is that Fortis Capital raises money and makes money off interest for operations, and has to pay the money that they borrow back. He noted that he lives in Brooklyn Center, and it is not a lot of work to manage the City's portfolio, and Fortis Capital can manage that every day with their eyes closed. He added that a small fee would not even be \$1,000 a year to manage the City's portfolio, probably less than that.

Commissioner Moore stated she wished she had asked that question earlier, and he clarified the purpose for being there and very clearly stated it was as a lender.

Commissioner Kragness thanked Mr. Smith for the presentation. She noted her question was concerning the interest rates and how they are comparable.

Mr. Smith stated that Fortis Capital sets their own interest rates and always comes in at least a point and a half below everybody else. Sometimes the rate is way lower because of their credit or other lending history. The highest rate Fortis Capital has ever done on a loan has been eight percent, and the lowest that they have ever done has been 4.5 percent. That is also a part of taking risks and filling those gaps because of the sources of their money. He added that he typically gets money at 1.5 percent or lower and has a small staff, so everything is on automatic, and if he gets money at 1.5 percent and has to pay it back in ten years, he does not charge people exorbitant amounts of money. He noted that Fortis Capital always comes in lower than all of their partners by at least a point and a half. Setting interest rates with the City's money would be a discussion that Fortis Capital has with the City and the EDA Staff, if Fortis Capital's money is in it, along with City money. He added that he would not be the one to determine if Fortis Capital took this project or portfolio, but would make recommendations, and it would be up to the EDA and the Commission.

Commissioner Kragness stated she liked the idea of reducing the reliance on TIF as a tool, and likes the fact that Fortis Capital is a lender. She pointed out that it is another option that some people may not have access to, appreciating the gap financing for the simple fact that it gives a chance of having that shortfall to bridge that gap, so a project can be built, because without it, a lot of things may not even be able to come to fruition. She added the Commission has to make sure they are being responsible to ensure taxpayers are seeing the value, and that is what the gap financing does if people actually go back and understand what it does and what the benefit is, because not everyone has access to private lending. She continued that she liked the technical

assistance part, which is setting people up to succeed with that alone. As far as the Economic Development and the Community Development, the City has to have a combination of those, and that goes along with the City's priorities and values. If someone were to go back and look at the budget, they can tell what the City is putting their money into, and that is going to tell what the City's values are, and what they are investing in. The City is investing in Community and Economic development, and it needs to be a combination, but follow the numbers, and it will tell every single time.

Commissioner Jerzak stated that a lot of his questions were answered, but when Fortis Capital says it provides technical support, that is a broad brush and vague on purpose. The reason is that Fortis Capital is examining business plans, cash flows, projections, and is not only finding an accountant, but reviewing monthly cash flow projections versus. He pointed out that someone can build wealth, but at the end of it, if it is a 22 percent tax liability because the business is suddenly outgrowing that building, it has to be sold, and where does Fortis Capital come in. He noted that it is not what they are discussing tonight, but as a lender, he is curious because Fortis Capital does the financial research to see if it is going to take a second mortgage position or whatever it is that they are not in a business to default, but in a business to lend money. As a lender, Fortis Capital has very different capital requirements and regulations than a lot of the banks do, and that is where part of the capital comes in, and it has lending loan limits and all that goes to a loan committee. He noted that he likes the concept, but to become more interested in it, he has no idea what loans the City has, and does not even know if it would be worth it to Fortis Capital. He stated he does not know if some of the City's loans are in default, if they are current, or what the interest rates are. He pointed out that the City Staff are not experts in finance collections, and they do not have the bandwidth. He stated he would not be opposed to having another option for entrepreneurs; they all have this genius idea and think they are the next Apple, and then the reality is, three years from now, their house is gone because they used the equity in it, and it is very difficult for them. He stated he likes the framework, but those would be things he would need more information on, because nowadays getting capital is difficult. He stated that Mr. Smith needs to remember the old saying that you do not need an umbrella if it isn't raining, and people only want to lend you money if you do not need it.

President Graves thanked Mr. Smith for the presentation. She pointed out that Mr. Smith does not recommend that the City make a direct loan, and appreciated the honesty. Staff have not wanted to necessarily say that because the direct loans that the City has been helping with are for a good cause, but maybe the City is just not managing it that well. One of the biggest takeaways is reassessing whether direct loans are the right vehicle, and if it would make more sense to look at participation loans, as a way of leveraging to get a larger benefit of what little bit the City actually has. She stated it sounds like a better use of the money and also more likely that the City is going to be able to recollect on their loans rather than having them default. She pointed out that whether the focus is Economic Development or Community Development is a larger conversation they have been having as a Commission around how to best use the EDA and the HRA, and she has always felt like there is more the City could be doing with the EDA.

President Graves continued that she is excited about the different presentations that have been coming before the Commission, likes this idea, and ideally, if the City is doing really good

Economic Development, it is doing really good Community Development as well, and vice versa. She stated she would like to know what kind of loans the City has and more about the Fortis Capital plan, while looking closer at the documents that Staff has access to, and coming back and having a deeper discussion around potential opportunities to consider based on what has been presented to the Commission and what makes the most sense.

Commissioner Jerzak noted that, in his opinion, in the interim, because the City does not have everything set up, there is no reason a referral could not be made for Fortis Capital to look at it, even though it may not be an official one; it is no different than going to four or five different banks and then applying. There is going to be a niche market with very specific things, and there are certain things Fortis Capital is just not going to touch, but there will be expertise looking at that. City Staff are simply not prepared to determine what the manufacturing cost of doing what Fortis Capital does, and they do not have that expertise. He added that more information is going to be necessary, and in the interim, certainly, when the City is trying to get a loan, there is some value to that, because it is also about building relationships.

Mr. Smith thanked the Commission for the kind words and wanted to let you know that, since Fortis Capital has been around and did not get the first loan until 2021, they have built relationships with many banks, many lenders, CDFIs, and foundations, so that they can get affordable capital out to their clients. He pointed out that the City has some foundations who would like to be geographically restricted and one of the things that he talked to Mr. Alexander about is that he would be talking to some of the folks who give PRIs and MRIs to see if they would be interested in using Brooklyn Center as a geographically restricted test area, and they could give him \$500,000 or \$1 million so that it could go to the City. As far as the technical assistance part that everybody spoke to, once a bank makes a loan, they typically do not ask until the client does not pay, and when the client does not pay, then they go back and put the client in technical default. Fortis Capital does not operate that way and needs to make sure that people communicate with them, so they know what is going on, so if the client runs into trouble, they can help. When Fortis Capital is looking over those financial statements and performers, they walk the client through everything, not just in the beginning, or until the client does not pay them. Fortis Capital knows that it is important to collect that information all the time. If the bank does think there is some trouble or technical default, Fortis Capital has been able to come to the table with those documents, with those monthly statements, profit and loss, to say the client is going to be okay, everything will be fine. If that means Fortis Capital has to defer payments or go to interest-only, then Fortis Capital will do it. That is the type of technical assistance Fortis Capital always offers the people and talks to people to say they are not just trying to get money out the door, but offering resources, so that the client is ready, because Fortis Capital does not want to just turn people away.

Mr. Smith thanked the Commission for their time and stated he was looking forward to working with Mr. Alexander even more.

#### **4b. EDA UPDATE**

Mr. Alexander thanked the Commissioners and noted he would like to say upfront that he agrees with Commissioner Jerzak's perception of Staff and loans, and this is a good first step. He stated

he would like to provide the Commission with a few updates for the EDA, so first, the EDA received our \$3 million of geo bonding, which was wonderful news, and had a great conversation with the City Engineer, City Planner, and Public Works to discuss the potential road. There is another meeting with Bolton Bank to have a discussion with them about what that could look like. The EDA did not get its special legislation. However, Senator Pha actually called him, and she said that she is very excited to work on it next year, and she wants a strategy to talk to everyone about how the City is going to address a co-sponsor and other things in the House, and how that would potentially work, so the EDA is making progress there. He continued that he and Economic Development Coordinator Amy Loegering have spent a lot of time going over grants and the funding strategy, and they do think there is a path forward on utilizing all of them and would like to have a conversation about two of the grants in particular that were leftovers from the allatis project. Another exciting thing to know is that Scooter's Coffee is to finalize its purchase and development agreements for the property at 6425 Brooklyn Boulevard. The property requires the EDA to hold a Public Hearing and approve the purchase and development agreement. Scooter's would like to have that agreement approved before preparing its plans for submission, and Staff is planning for a special EDA meeting on June 8th rather than waiting until the regular scheduled EDA meeting on June 22nd. He added that it is nice to know that there will be more coffee options in Brooklyn Center, because he loves coffee.

Mr. Alexander continued that he has been working on the Stadium Village project that was discussed with the Commission, and there will be more information coming about that in the days ahead. There have been extensive conversations with three developers who are interested in coming into the City of Brooklyn Center, and he was hoping to bring five developers, but the legislative bill did not pass, and developers were all really excited to come to the City when there was potential additional funding.

Mr. Alexander noted that he did hear from Health Partners; they just forwarded an email to Staff few moments ago that they have advanced their conversation among all their stakeholders and are having an additional conversation about whether they will move forward with a new facility. He noted that hopefully Staff will get some news on that relatively soon. He asked the Commissioners if they had any questions.

Commissioner Jerzak asked about page 19 of 37, the grants include one that is four years old for the Metropolitan Council LCDA, and asked if that is close to expiration. Mr. Alexander noted that it expires in 2027. Commissioner Jerzak stated that is what I was wondering. Mr. Alexander stated that it is a conversation that the Commission needs to have, and it would be nice to get some direction on that particular grant because it is for affordable housing, and that is the last grant that is left over. There is a developer who approached the EDA that wants to incorporate those potential affordable housing units into a larger development that has a mixed market-rate project, and interestingly enough, it involves Resurrecting Faith. Resurrecting Faith has actually figured out a way to use the credits with housing, townhomes, and the rest of a structure, which they want to bring forward, and he told them to bring that forward by the end of next week. He noted that there is no way Resurrecting Faith is going to do that, but probably in two weeks, he will have something to provide, if nothing else, a note from the developer. He added that the Commission needs to give the EDA some direction as to what it would like to do with the remaining grants.

Commissioner Jerzak asked if there has been any movement at all on the other two that have been in the works, one is the former Brown College site, and the other is the proposed townhouses that the Commission authorized for seeking the pre-development funds.

Mr. Alexander noted that the Brown College site has 119 units of apartments and 19 townhomes, and he met with them today, and they are interested. He added that there was a lot of conversation about other things that may be coming to town, and that dominated most of the conversation. He noted that it is his goal by the next EDA session to have something to bring to the Commission and has been candidly telling all the people who have been telling the EDA that they want to do something, that it is time for them to do something, and the City cannot wait any longer.

President Graves thanked Mr. Alexander for the update and for continuing to get out there and push so hard to bring all these different opportunities into the City. She stated she knows it is not easy work, hunting folks down and getting on them about coming forward, and all the things that are happening behind the scenes. She stated she appreciates Mr. Alexander's work and effort.

**4c. RESOLUTION APPROVING A PRELIMINARY DEVELOPMENT AGREEMENT WITH MCNEAL MANAGEMENT, INC**

Mr. Alexander noted that Tommy McNeal is present at the meeting. He explained that McNeal Management, Inc. came before the EDA in the March 23 EDA meeting with a concept plan. The owner and developer, Tommy McNeal, brings 20 years of experience in the corporate, entrepreneurial, and nonprofit sectors. The project features 30,000 square feet of mixed-use commercial facility, and this is a very preliminary concept, but it supports entrepreneurship and professional development, 15,000 square feet of indoor venue, and a seasonal patio, which he noted he is looking forward to having a coffee there. The center will include a cafe and catering, and six boutique hotel suites. He pointed out some information on this area. The larger triangle-shaped parcel of 8.17 acres was acquired via eminent domain in 2005, and some of the Commission may remember that the City enrolled the site of the MPCA's VIC program to address contaminants associated with the former dry cleaner on the north end of the lot. The total cost associated with the 8.17-acre parcel was \$457,590, of which \$155,227 were out of the City's TIF three account. The proposed site is a mixed-use neighborhood and requires rezoning. The pre-development agreement provides a framework for McNeal Management to proceed with due diligence, including its financing structure. The agreement expires on January 1st, 2028, and it includes approximately one-half of the parcel that requires reimbursement of costs incurred by the EDA. That is in the pre-development agreement, and for legal fees and any future sale would require a separate purchase agreement, which the EDA has discussed with Mr. McNeal. He noted that the EDA is recommending that the City of Brooklyn Center enter into a preliminary development agreement with McNeal Management for the subject property located at 1950 57th Avenue North.

Commissioner Jerzak stated he wanted it to be known that he spoke to Mr. Tommy McNeal at a break about the elongated time that the legal requirements of entering that agreement would not expire in 2028, and Mr. McNeal assured him that those things had been addressed, and he feels strongly that the Commission should be moving forward with this. He noted that the project is a

very good development and, in the interest of transparency, this Commission is going to have to address what was proposed in the original Opportunity Site so that there is no conflict of multiple businesses that are competing with each other. That original plan was part of the City's master plan for the banquet center, and he just wants transparency with that.

Commissioner Moore asked in terms of the layout, if this is in alignment with the original proposal. She asked if this event center is going to be in the west section of the parcel, and there will be an empty parcel next to this event center at the exact corner of 57th and Logan. She stated that it is in the picture that Mr. Alexander had up during the presentation. She pointed out that they will still have an empty space at 57th and Logan, and the event center is now pushed over.

Mr. Alexander noted that the original layout did not have an etched area in it, and he and City Planning Manager Ginny McIntosh have discussed quite a few things about this parcel. The one challenge with this parcel, of course, is the written conversations with the county about 57th Avenue, and whether there will be a turn or if the road will be expanded. This also leads to another conversation about Logan Avenue now, and the utility lines above it. The parcel is challenged, but he believes that if Mr. McNeal has the capacity and is successful in this first project, he could move on and develop the rest of the parcel. The issue is that when EDA first brought this forward to be discussed, it was for a percentage of that site, not the entire site, so this will be negotiated in the actual agreement as to where everything is going to go and what the project actually consists of on the site. He continued that that is what the EDA is going to be doing in the actual pre-development agreement itself.

Commissioner Moore asked if Mr. Alexander is suggesting that at some point, Mr. McNeal is going to potentially expand, even though he has a purchase agreement for just this section of the parcel.

Mr. Alexander stated he was suggesting that right now, the EDA is giving Mr. McNeal the ability to develop the section, and while it is not necessarily this section, the EDA had to present something to give the Commission an idea about what half a parcel looks like. This will be discussed further with the City Attorney to come up with what that actually looks like. The reality is that when developing half a parcel in the development world, when one is successful, usually that developer wants to develop the rest of the parcel. He noted that the EDA is leaving the door open for Mr. McNeal to do that.

Commissioner Moore stated she is not in opposition but is asking these questions because there have been many discussions about a variety of City-owned EDA sites across the City, and there is no guarantee, especially in light of the current times and what may be the next few years, whether or not Mr. McNeal may develop that or someone else will.

Mr. Alexander stated that it is a conversation that is going to occur in the future, and the EDA is trying to leave Mr. McNeal with as many options as possible while respecting the City's ability to look out for its own best interests, and Staff thinks that this is a good path forward. He noted that Mr. McNeal has been very patient with the EDA as they have gone through this process.

Commissioner Moore asked what the sale price was and stated she does not recall but knows that the City used TIF funds for the \$457,000, or acquired it for the \$457,000, and then was reimbursed \$155,000; she guessed the difference between the two would have been the sale price. She asked if Mr. Alexander could recall.

Mr. Alexander recalled that he was told when the property was taken with eminent domain, that was the overall price. Mr. Alexander noted that Commissioner Jerzak was on the Commission at the time and might recall.

Commissioner Moore stated she does not need to rehash that particular instance, but asked what Mr. McNeal is paying for that parcel and what the parcel is going to finally end up being.

Mr. Alexander stated he wished he had the exact number in front of him, but he does not think that he has it. Commissioner Moore noted that it was fine. Mr. Alexander added that he could provide it later. He asked if he could say one last thing.

President Graves confirmed Mr. Alexander could continue. Mr. Alexander continued that when the EDA acquired this parcel, it did all this work on it, and then eventually put a storage facility in the middle of the parcel. It was not necessarily the highest and best use for the parcel at the time. When he talked to people about this, and he has the plat of this parcel in his office, it reminds him never to do something like this. It is interesting that the EDA wants to make the site active and fun and interesting, and have people come and do activity here, and that Mr. McNeal chose Brooklyn Center to do this particular development in this great location. He noted that Mr. McNeal showed the right spirit, and encouraged more people to come to the City who want to do this.

President Graves noted that she was on the Commission when that storage unit was put there, and she felt the same way, but the parcel had been sitting empty for so long.

Commissioner Kragness reiterated that the Commission is in full support of this project and believes that Mr. McNeal's success means that the City is being successful. She noted that she is fully prepared to move forward with the project.

Commissioner Jerzak stated for those who may be wondering about the land, and in any event that Mr. McNeal chose not to develop at all, it gives Mr. McNeal more flexibility to have that option for planning, because these things take place and most importantly is on page 26 of 37, any future sale, should Mr. McNeal decide, would require a separate purchase agreement or development agreement, so everything is well covered with that.

President Graves moved and Commissioner Kragness seconded approval of the Economic Development Authority of the City of Brooklyn Center to enter into a preliminary development agreement with McNeal Management, Inc. for the subject property located at 1950 57th Avenue North.

Motion passed unanimously.

**5. ADJOURNMENT**

President Graves moved and Commissioner Moore seconded the adjournment of the Economic Development Authority meeting at 8:41 p.m.

Motion passed unanimously.

## Council Regular Meeting

**DATE:** 6/8/2026  
**TO:** Economic Development Authority  
**FROM:** Daren Nyquist, Interim City Manager  
**THROUGH:**  
**BY:** Ginny McIntosh, Planning Manager  
**SUBJECT:** Purchase and Development Agreement and Conveyance of Certain Property Located at 6245 Brooklyn Boulevard

### **Requested Council Action:**

*- Motion to continue the public hearing regarding the Purchase and Development Agreement and conveyance of certain property located at 6245 Brooklyn Boulevard to the June 22, 2026, City of Brooklyn Center EDA meeting.*

### **Background:**

At the April 27, 2026 EDA meeting, City staff presented a concept for a proposed Scooter's Coffee (Prime Coffee LLC) location on two City EDA-owned sites collectively addressed as 6245 Brooklyn Boulevard. Following a presentation of the proposal, City staff inquired if the EDA was amenable to entering into a Purchase and Development Agreement with Prime Coffee LLC. As the request was generally well received, City staff submitted a public hearing notice request to the Brooklyn Center *Sun Post* for the June 8, 2026 EDA meeting, and the notice was published on May 28, 2026.

City staff worked with the City Attorney to prepare the Purchase and Development Agreement and transmitted the draft to Scooter's Coffee Corporate and the franchisee, Miressa Morka; however, due to team member travel, review of the agreement was delayed. Although City staff have received comments back from Scooter's Coffee Corporate, City staff is requesting additional time for all parties to review the revised draft and are therefore requesting the following EDA action:

Motion to continue the public hearing regarding the Purchase and Development Agreement and conveyance of certain property located at 6245 Brooklyn Boulevard to the June 22, 2026 EDA meeting.

This request is being made in order to avoid having to re-notice the already published hearing, as the *Sun Post's* public notice schedule would push this item out to the July meetings if the City had to submit a new notice.

### **Budget Issues:**

None to consider at this time.

### **Inclusive Community Engagement:**

**Antiracist/Equity Policy Effect:**

**Strategic Priorities and Values:**

**ATTACHMENTS:**

None