

MODIFICATION TO REDEVELOPMENT PLAN

FOR

REDEVELOPMENT PROJECT NO. 1

**HOUSING AND REDEVELOPMENT AUTHORITY
IN AND FOR THE COUNTY OF CROW WING**

Original Redevelopment Plan adopted by the City of Brainerd on September 6, 2016

Original Redevelopment Plan adopted by the Authority on September 13, 2016

Modified Redevelopment Plan adopted by the City of Baxter on _____, 2025

Modified Redevelopment Plan adopted by the Authority on _____, 2025

Drafted By:

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I. DEFINITIONS

The terms defined below have, for purposes of this Redevelopment Plan, the meanings herein specified, unless the context specifically requires otherwise:

“Authority” means the Housing and Redevelopment Authority in and for the County of Crow Wing.

“Board” means the Board of Commissioners of the Authority.

“City” means, as the context requires, (a) the City of Baxter; or (b) the City of Brainerd. “City” may also include another city within the County the geographic boundaries of which include tax-forfeited property to be sold by the Governing Body of the County to the Authority for redevelopment purposes authorized in the Redevelopment Plan.

“City of Baxter” means the City of Baxter, Minnesota

“City of Brainerd” means the City of Brainerd, Minnesota.

“County” means Crow Wing County, Minnesota.

“Governing Body” means the governing body of the Authority, the County, or a City, as the case may be.

“HRA Act” means Minnesota Statutes, Sections 469.001 to 469.047.

“Original Redevelopment Plan” means the Redevelopment Plan with respect to the Project, as adopted by the Governing Body of the City of Brainerd on September 6, 2016 and the Governing Body of the Authority on September 13, 2016.

“Project” means Redevelopment Project No. 1, the boundaries of which are coterminous with the geographic boundaries of the County and generally illustrated in the map attached hereto as EXHIBIT A.

“Project Area” means the area within the boundaries of the Project as shown in EXHIBIT A, and specifically includes (a) the tax-forfeited lots within the City of Brainerd, including but not limited to those described in EXHIBIT B attached hereto, as of the date of adoption of the Original Redevelopment Plan by the City of Brainerd and the Authority; and (b) the tax-forfeited lots within the City of Baxter, including but not limited to those described in EXHIBIT C attached hereto, as of the date of adoption of the Redevelopment Plan by the City of Baxter and the Authority. “Project Area” may also include any additional or future tax-forfeited lots within a City described in a future modification to the Redevelopment Plan.

“Public Redevelopment Costs” means all legally permissible costs incurred or to be incurred by or on behalf of the Authority in carrying out the Redevelopment Plan, including but not limited to (a) the costs of any redevelopment activities consistent with the Redevelopment Plan as originally adopted or subsequently amended; (b) costs of administering the Project; and (c) debt service payments on any obligations issued to finance Public Redevelopment Costs authorized by the Redevelopment Plan.

“Redevelopment Plan” means the Original Redevelopment Plan, as modified by the Modification to Redevelopment Plan, as adopted by the Governing Body of the City of Baxter on _____, 2025 and the Governing Body of the Authority on _____, 2025, and as it may be further, modified amended or supplemented from time to time.

“State” means the State of Minnesota.

II. AUTHORITY TO CREATE REDEVELOPMENT PROJECT AREA

The Authority was created pursuant to the HRA Act. Under the HRA Act, the Authority may exercise all the powers of a housing and redevelopment authority, including without limitation the power to establish redevelopment projects and to issue bonds in order to finance any Public Redevelopment Costs.

Pursuant to the HRA Act, the Authority may establish a redevelopment project and create a redevelopment plan for the purpose of approving plans for redevelopment within a particular area of the redevelopment project. One of the main purposes of a redevelopment project is to remove, prevent or reduce blight, blighting factors or the causes of blight. Blight is defined in several ways under the HRA Act. Blight is traditionally defined as buildings or improvements which, by reason of dilapidation, obsolescence, overcrowding, faulty arrangement or design, lack of ventilation, light, and sanitary facilities, excessive land coverage, deleterious land use, or obsolete layout, or any combination of these or other factors, are detrimental to the safety, health, morals, or welfare of the community. However, blight can also apply to vacant land, due to the following conditions: (a) unusual and difficult physical characteristics of the ground; (b) the existence of faulty planning characterized by the subdivision or sale of lots laid out in disregard of the contours or of irregular form and shape or of inadequate size; or (c) a combination of these or other conditions which have prevented normal development of the land by private enterprise and have resulted in a stagnant and unproductive condition of land potentially useful and valuable for contributing to the public health, safety, and welfare. A redevelopment project may be established for the purpose of eliminating these conditions on vacant land, in order to make the land useful and valuable for contributing to the public health, safety, and welfare.

III. STATEMENT OF NEED AND PUBLIC PURPOSE

The Authority finds that there is a need for redevelopment within the City and the Project Area to remedy blight and blighting conditions, prevent the spread of blight, promote the health, safety and welfare of City residents, and encourage related development and redevelopment in order to protect and improve the tax base and general economic vitality of the City and County as a whole.

In 2016, in connection with the approval of the Original Redevelopment Plan, the Authority identified that redevelopment of the Project Area, specifically the areas identified in EXHIBIT B consisting of the Brainerd Oaks, Serene Pines, and Dal Mar Estates housing subdivisions, was critical to the vitality and economic well-being of the Project Area and the County as a whole. These three housing subdivisions contain 113 tax forfeited lots that were held in trust for the State by the County. The County attempted to sell these lots and return them to the tax rolls, but due to the State law requirement that they be sold for their estimated market value, and the County’s policy that such value must include the cost of any previously levied and unpaid special assessments, private developers were unwilling to purchase them at the marketed price. Redevelopment of the Project Area pursuant to the Original Redevelopment Plan allowed the Authority to convey these lots to private developers and allowed private developers to acquire and build on these lots, which increased the tax base and general economic vitality of the City and County.

Additionally, the Authority has identified that redevelopment of the Project Area, specifically the areas identified in EXHIBIT C consisting of certain tax-forfeited lots classified by the County as non-conservation property, is critical to the vitality and economic well being of the Project Area and the County as a whole. These tax-forfeited lots are currently held in trust for the State by the County. The County has attempted to sell these lots and return them to the tax rolls, but due to the State law requirement that they be sold for their estimated market value, and the County’s policy that such value must include the cost of

any previously levied and unpaid special assessments, private developers have been unwilling to purchase them at the marketed price. Redevelopment of the Project Area pursuant to this Redevelopment Plan will allow the Authority to convey these lots to private developers and will allow private developers to acquire and build on these lots, which will increase the tax base and general economic vitality of the City and County.

The Authority finds that the Project Area consists of property which is currently unused or underused because of certain blighting conditions, primarily due to high costs of acquisition resulting in unmarketable property, currently deleterious land use, and the threat of emergent or increased blighting factors.

Redevelopment of the Project Area is critical to avoiding the emergence of blight due to these subdivisions remaining undeveloped and vacant. The Authority finds that the proposed redevelopment activities are essential to prevent further deterioration of the Project Area and the City and County as a whole, and that such efforts will also encourage the future economic development of the City and County by providing a range of owner-occupied workforce housing.

The Authority specifically finds that (a) the land within the Project Area would not be available for redevelopment without the public participation under this Redevelopment Plan; (b) the Redevelopment Plan will afford maximum opportunity, consistent with the needs of the City as a whole, for the development of the Project by private enterprise; and (c) the Redevelopment Plan conforms to the general plan for the development of the City and County as a whole.

The Authority further finds that the Project is a “redevelopment project” within the meaning of Section 469.002, subdivision 14 of the HRA Act.

IV. STATEMENT OF OBJECTIVES

The Authority seeks to accomplish the following general objectives within the Project:

A. Promote the prompt development and redevelopment of property within the Project Area in a manner consistent with the comprehensive plan of the respective City, which property is currently unused or underused.

B. Promote the development and redevelopment of property within the Project Area to ensure the continued vitality and economic well-being of the Project Area and the respective City and County as a whole.

C. Assist in development or redevelopment through land acquisition and conveyance, provision of public services, soil and terrain corrections or site improvements, all in cases deemed appropriate by the Authority.

D. Employ any powers of the Authority under the HRA Act for the benefit of the Project in such cases and upon such terms as the Authority may deem appropriate.

V. PROJECT AREA

The Project boundaries are illustrated in the map attached hereto as EXHIBIT A. The tax-forfeited lots intended for redevelopment within the Project Area are described in EXHIBITS B and C attached hereto. Additional tax-forfeited lots may be added to EXHIBITS B, C, and any future exhibit to be attached

to a future modification to the Redevelopment Plan to include additional tax-forfeited lots within the respective City for purposes of redevelopment consistent with the Redevelopment Plan.

VI. PROPERTY ACQUISITION

The Authority acquired from the County, and intends to continue to acquire from the County, the tax-forfeited lots in the Project Area within the City of Brainerd (set forth in EXHIBIT B attached hereto), in order to convey these lots to private developers for the construction of owner-occupied single-family housing, thereby promoting orderly development within the City of Brainerd of underutilized land intended for such housing.

The Authority will acquire from the County the tax-forfeited lots in the Project Area within the City of Baxter (set forth in EXHIBIT C attached hereto), in order to convey these lots to private developers for the construction of owner-occupied single-family and/or multifamily housing, thereby promoting orderly development within the City of Baxter of underutilized land intended for such housing.

The Authority will acquire any property in the Project Area that the Authority may deem necessary or desirable to carry out the objectives of the Redevelopment Plan. The Authority will acquire marketable fee title to the property by quit claim deed.

VII. REDEVELOPMENT PROJECT FINANCING

The Authority may use revenues from any source available to it to pay any Public Redevelopment Costs.

The Authority has no current plan to issue general obligation or revenue bonds to finance the costs of infrastructure necessary to develop the Project Area, including streets, water, and sewer, as such infrastructure is already in place.

If applicable, the Authority intends to contribute to the respective City the net proceeds of the sale of each tax-forfeited lot in partial reimbursement of such City's previous investment in necessary infrastructure. In such event, the respective City shall agree by resolution to waive its statutory right to reassess any such lot for the costs of the infrastructure.

EXHIBIT A

MAP OF PROJECT AREA

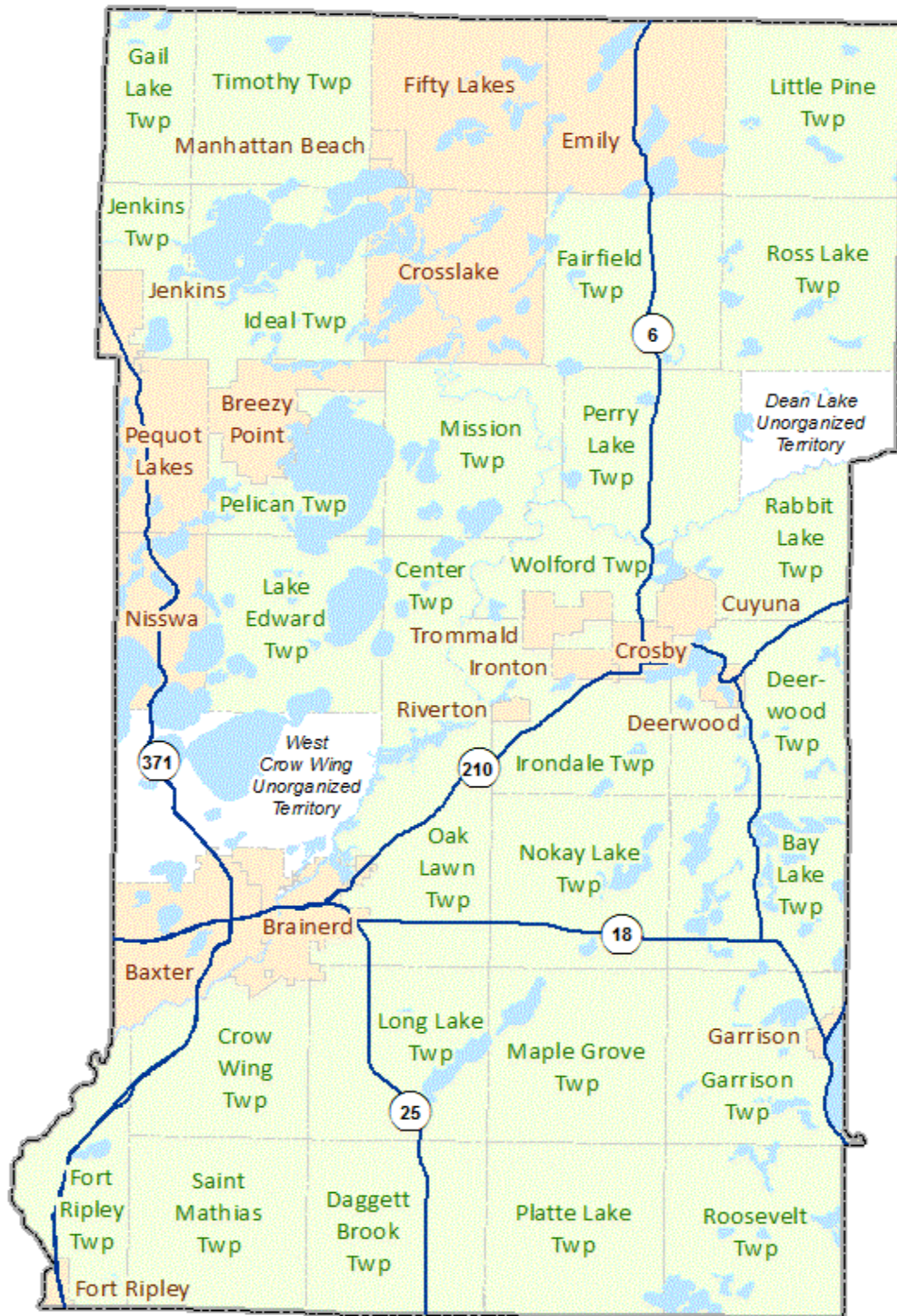


EXHIBIT B

**LEGAL DESCRIPTION OF TAX-FORFEITED LOTS IN CITY OF BRAINERD
(AS SET FORTH IN ORIGINAL REDEVELOPMENT PLAN)**

Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, and 18, Block 2, Brainerd Oaks

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 13, and 14, Block 4, Brainerd Oaks

Lots 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27, 28, 29, 30,
and 31, Block 5, Brainerd Oaks

Lots 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 19, 20, 21, 22, and 23, Block 6, Brainerd Oaks

Lots 1, 2, 3, 4, 5, 6, and 7, Block 1, Dalmar Estates

Lots 1, 2, 3, 4, 5, 6, and 7, Block 1, Serene Pines

Lots 1, 2, 3, 4, 5, and 6, Block 2, Serene Pines

Lots 1, 2, 3, 4, 7, 8, and 9, Block 3, Serene Pines

Lots 1, 2, and 3, Block 4, Serene Pines

All in the County of Crow Wing, Minnesota.

EXHIBIT C

LEGAL DESCRIPTION OF TAX-FORFEITED LOTS IN CITY OF BAXTER

Lot 20, Block 1, Kirkwood (Parcel 40060832)

Lot 5, Block 1, First Addition to Kirkwood (Parcel 40060553)

Lot 3, Block 3, Ironwood Meadows (Parcel 40240629)

Lot 3, Block 3, Ironwood Meadows First Addition (Parcel 40240532)

Outlot A, Grand Strand (Parcel 40060573)

All in the County of Crow Wing, Minnesota.