

Monday, October 27, 2025

6:00 P.M.

City Council Meeting to Follow

## SPECIAL EDA MEETING – AGENDA #13

President Hollies Winston, Vice President Nichole Klonowski, Treasurer Shelle Page,  
Commissioners Christian Eriksen, Amanda Xiong, Maria Tran, and Tony McGarvey  
Executive Director Tim Gladhill, Assistant Executive Director Jay Stroebel and Secretary Seng Moua.

If you need these materials in an alternative format or reasonable accommodations for an EDA meeting, please provide a 72-hours' notice to Seng Moua by calling 763-493-8059 or emailing [Seng.Moua@brooklynpark.org](mailto:Seng.Moua@brooklynpark.org).

Si usted necesita esta información en español, llame al 763-424-8000 y solicite un intérprete.

Yog xav tau kev pab, hu 763-493-8059.

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*Our Vision: Brooklyn Park, a thriving community inspiring pride where opportunities exist for all.*

### *Our Brooklyn Park 2025 Goals:*

*• A united and welcoming community, strengthened by our diversity • Beautiful spaces and quality infrastructure make Brooklyn Park a unique destination • A balanced economic environment that empowers businesses and people to thrive • People of all ages have what they need to feel healthy and safe • Partnerships that increase racial and economic equity empower residents and neighborhoods to prosper • Effective and engaging government recognized as a leader*

#### I. ORGANIZATIONAL BUSINESS

##### 1. CALL TO ORDER/ROLL CALL

##### 2. APPROVAL OF AGENDA

#### II. PUBLIC INVOLVEMENT

##### 3. PUBLIC COMMENT AND RESPONSE

Provides an opportunity for the public to address the EDA on items which are not on the agenda. Public Comment will be limited to 15 minutes (*if no one is in attendance for Public Comment, the regular meeting may begin*), and it may not be used to make personal attacks, to air personality grievances, to make political endorsements or for political campaign purposes. Commissioners will not enter into a dialogue with members of the public. Questions from the EDA will be for clarification only. Public Comment will not be used as a time for problem-solving or reacting to the comments made but, rather, for hearing from members of the public for informational purposes only.

##### 3A. RESPONSE TO PRIOR PUBLIC COMMENT

##### 3B. PUBLIC COMMENT

#### III. STATUTORY BUSINESS AND/OR POLICY IMPLEMENTATION

##### 4. CONSENT

The following items relate to the EDA's long-range policy-making responsibilities and are handled individually for appropriate debate and deliberation. (Those persons wishing to speak to any of the items listed in this section should fill out a speaker's form and give it to the Secretary. Staff will present each item, following in which audience input is invited. Discussion will then be closed to the public and directed to the EDA table for action.)

##### 5. PUBLIC HEARINGS

##### 6. GENERAL ACTION ITEMS

- 6.1** Consider Authorizing the EDA Executive Director to Enter into an Agreement with I Alexander Agency for the Brooklyn Park Small Business Center Operator Service as Outline in Operator Proposal/Option C (6 Month Extension)
  - A.** RESOLUTION
  - B.** OVERVIEW OF OPERATOR PROPOSED OPTIONS

**IV. ADJOURNMENT**

Since we do not have time to discuss every point presented, it may seem that decisions are preconceived. However, background information is provided for the EDA on each agenda item in advance from city staff; and decisions are based on this information and past experiences. Items requiring excessive time may be continued to another meeting.

The Brooklyn Park Economic Development Authority's agenda and packet is posted on the City's website.  
To access the agenda and packet, go to [www.brooklynpark.org](http://www.brooklynpark.org).  
**The next scheduled EDA meeting is Monday, November 17, 2025.**

# City of Brooklyn Park Request for EDA Action

<b>Agenda Item:</b>	6.1	<b>Meeting Date:</b>	October 27, 2025
<b>Agenda Section:</b>	General Action Item	<b>Prepared By:</b>	Malcolm Hicks, Economic Development and Housing Director
<b>Resolution:</b>	X	<b>Presented By:</b>	Malcolm Hicks, Economic Development and Housing Director
<b>Attachments:</b>	2		
<b>Item:</b>	Consider Authorizing the EDA Executive Director to Enter into an Agreement with I Alexander Agency LLC for the Brooklyn Park Small Business Center Operator Service as Outline in Operator Proposal/Option C (6 Month Extension)		

## Executive Director's Proposed Action:

MOTION \_\_\_\_\_, SECOND \_\_\_\_\_, TO ADOPT RESOLUTION #2025-\_\_\_\_\_, AUTHORIZING THE EDA EXECUTIVE DIRECTOR TO ENTER INTO AN AGREEMENT WITH I ALEXANDER AGENCY LLC FOR THE BROOKLYN PARK SMALL BUSINESS CENTER OPERATOR SERVICE AS OUTLINE IN OPERATOR PROPOSAL/OPTION C (6 MONTH EXTENSION).

## Overview:

As the EDA is aware, city staff have explored the desired levels of service and financial balance sheets for the Brooklyn Park Small Business Center. Direction at the July EDA meeting was to direct staff to negotiate with the current Operator regarding a reduced scope of services for the Operator Contract and execute a contract amendment and extension for a six (6) month term.

## Background:

At the October 20th EDA meeting staff were directed to bring forward a compromise proposal that works for both I Alexander Agencies and the Brooklyn Park EDA.

At the September 15th EDA meeting, Staff were guided to solidify BPSBC service levels with a financial cap not to exceed \$400,000. Staff continue to negotiate and finalize terms and service levels as directed by the EDA for the execution of a contract amendment and extension with the contracted BPSBC Operator I Alexander Agency.

## Primary Issues/Alternatives to Consider:

I Alexander Agency presented 3 options to staff:

- Option A: Lease Partnership Model
- Option B: Operations Contract
- Option C: Six-Month Transition Partnership

Additionally, if the EDA is not comfortable with any of the options above, it does not have to extend the contract with the current operator. In that scenario, Staff would develop a contingency plan for operations for a period of time after January 1, 2026. This would be followed up with a broader discussion on operational options on a longer-term basis. Staff have already begun these efforts in preparation in case this is the option the EDA elects.

**Next Steps:**

- Staff to execute an amended agreement

**Budgetary/Fiscal Issues:**

The Small Business Center is funded by a combination of the following:

- User Fees (Membership Fees & Rentals)
- State of Minnesota (DEED) Allocation (through 2026)
- EDA Levy
- EDA Fund Balance

User Fees do not fully cover operational costs. The difference between membership revenue (and State of Minnesota Allocation) is made up by the EDA (either annual levy or fund balance). Staff and EDA have always anticipated a level of contribution as an investment in the small business community. However, the current level of assistance is greater than anticipated.

**Recommendation:**

Authorize EDA Executive Director to negotiate and finalize the terms and execute a contract amendment and extension agreement (6 months) with I Alexander Agency, LLC for the Brooklyn Park Small Business Center contracted Operator Service as outlined as Option C.

Staff would not recommend Option A & B in the short term. Option C (6-month extension) provides time to further evaluate these options, which may or may not include competitive Requests for Proposals (RFP).

**Attachments:**

- 6.1A RESOLUTION
- 6.2B OVERVIEW OF OPERATOR PROPOSED OPTIONS

THE BROOKLYN PARK ECONOMIC DEVELOPMENT AUTHORITY  
OF THE CITY OF BROOKLYN PARK

RESOLUTION #2025-\_\_\_\_\_

AUTHORIZING THE EDA EXECUTIVE DIRECTOR TO ENTER INTO AN  
AGREEMENT WITH I ALEXANDER AGENCY LLC FOR THE BROOKLYN PARK SMALL  
BUSINESS CENTER OPERATOR SERVICE AS OUTLINE IN OPERATOR  
PROPOSAL/OPTION C (6 MONTH EXTENSION)

WHEREAS, the Brooklyn Park Economic Development Authority (the "Authority"), a public body corporate and politic, was created pursuant to Minnesota Statutes, Sections 469.090 to 469.108 (the "EDA Act"), and possesses all the powers of an economic development authority pursuant to the EDA Act and a housing and redevelopment authority pursuant to Minnesota Statutes, Sections 469.001 to 469.047; and

WHEREAS, the EDA has created the Small Business Center, a flexible and accessible environment for a wide range of businesses with a particular focus on providing services that assist and enhance opportunities for business owned by women, immigrants, and Black, Indigenous, and People of Color (BIPOC) in the community, providing more avenues for residents and businesses that face the highest barriers to access resources, build wealth, and investment in themselves and their community through entrepreneurship and business ownership; and

WHEREAS, in 2023, the EDA Board approved a Professional Services Agreement (the "Original Agreement") with the Indred Alexander Insurance Agency, LLC (the "Contractor") to manage the Small Business Center Facility; and

WHEREAS, in 2024 the EDA sought additional services from the Contractor in exchange for agreeing to certain amendments to the Original Agreement and additional compensation, and it is therefore necessary to amend and restate the Original Agreement; and

WHEREAS, in 2025 the EDA seeks a reduction of services from the Contractor in exchange for agreeing to certain amendments to the Amended Agreement and reduced compensation, and it is therefore necessary to amend and restate the Amended Agreement to enter into a newly Amended and Restated Agreement (the "Agreement");

NOW, THEREFORE, BE IT RESOLVED by the Brooklyn Park Economic Development Authority Board of Commissioners (the "Board") as follows:

1. The Agreement is hereby in all respects authorized, approved, and confirmed, and the proper EDA officials are hereby authorized and directed to execute the Agreement for and on behalf of the EDA but with such modifications as shall be deemed necessary, desirable, or appropriate, by the proper City officials and Legal Counsel of the EDA, the execution thereof to constitute conclusive evidence of their approval of any and all modifications therein.
2. The Executive Director of the EDA and the proper EDA officials are hereby authorized to execute and deliver any and all documents deemed necessary to carry out the intentions of this resolution and the Agreement.

Brooklyn Park Small Business Center  
Operator Contract Extension

All proposals (including Staff Proposals) are subject to EDA Approval.

**Most Recent Staff Proposal (Keep It Simple)**

- Two Scenarios currently in play
  - Scenario 4b: Meet in the middle between \$225,000 and \$300,000 for 6 months
    - \$262,500 for six (6) months
    - It is our expectation that this likely involves a reduction in FTE
      - No revenue share
      - Additional Fees for Events charged at hourly rate to Contractor OK
        - We may need to discuss mechanics of this and whether or not we can actually allow direct payment to you for these services
  - Scenario 5: Same as above, but for 12 months (\$400,000)
    - This is generally the same as Operator Option B
- Other contract terms
  - We should really look at this given the very limited window as an extension of existing contract terms
  - If you need to strike language on services under various job titles, we can consider those, subject to approval by EDA

**Operator Proposed Options (follow up questions & responses after Operator's Proposals)**

*CRITICAL UPDATE: All proposals moving forward will be administered through a newly forming nonprofit organization (name to be determined prior to contract execution). I will serve as the Founding Executive Director of this organization, which will be the contracting entity for any agreement reached with Brooklyn Park. The nonprofit will be legally established before any contract is signed.*

**THREE PARTNERSHIP OPTIONS**

**OPTION A: LEASE PARTNERSHIP MODEL**

(Recommended - Lowest Long-Term Cost to the EDA)

**STRUCTURE:**

- Nonprofit organization leases the Small Business Center facility from the City of Brooklyn Park
- Lease Rate: \$1 per year (nominal)
- Term: 2+2+2 years (6 years total with automatic renewals)
- Included in Lease:
  - Utilities (electric, gas, water, sewer) at municipal rates
  - High-speed internet service at municipal rates
  - Completion of previously planned facility improvements

### **EDA FINANCIAL COMMITMENT - DECLINING SUBSIDY MODEL OF TOTAL ANNUAL COST TO EDA**

- Year 1 (2026): \$240,000
- Year 2 (2027): \$180,000
- Year 3 (2028): \$120,000
- Year 4 (2029): \$60,000
- Years 5-6 (2030-2031): \$0

### **NONPROFIT RESPONSIBILITIES:**

- All Small Business Center operations and programming
- Staff employment and management
- Day-to-day facility maintenance and management
- All revenue generation (memberships, events, programs)
- Member services and community engagement
- Financial sustainability through fundraising and earned income

### **EDA RESPONSIBILITIES:**

- Building structure and major systems maintenance
- Property taxes and building insurance
- Capital improvements exceeding \$10,000
- Facility improvements identified in current capital plan

### **RATIONALE:**

- Lowest total cost to EDA over 6 years (\$600K vs. \$2.4M+ for continued operations contract)
- Provides predictable declining subsidy as nonprofit builds fundraising capacity
- Transfers operational control and risk to independent nonprofit
- Positions SBC for long-term sustainability independent of annual EDA budget cycles
- Allows EDA to exit direct operations while maintaining community asset

### **OPTION B: OPERATIONS CONTRACT**

(One-Year Commitment)

**STRUCTURE:**

- Brooklyn Park contracts with nonprofit organization to operate the Small Business Center
- Base Fee: \$400,000 annually
- Term: 1 year (January 1 - December 31, 2026)
- Revenue Model: Nonprofit controls event space and retains all event revenue; no revenue sharing with EDA

**SCOPE OF SERVICES (LIMITED OPERATIONAL SCOPE):**

**CORE OPERATIONS:**

- Day-to-day facility management and operations
- Member services and support
- Staff supervision and management
- Vendor management and contract oversight
- Financial reporting and budget management

**BUSINESS HOURS EVENT COORDINATION:**

- Event coordination during standard business hours only
- Event space booking and management
- Client coordination for facility events
- All event revenue retained by nonprofit to supplement operations

**COMMUNITY ENGAGEMENT:**

- Coordination with City's marketing contractor for community engagement initiatives
- Small business support programming
- Member communication and relationship management

**EXCLUSIONS (REDUCED FROM PREVIOUS CONTRACT):**

- No after-hours event management
- No extended community programming beyond business hours
- Limited marketing scope (coordination role only)

**FINANCIAL SUPPLEMENT:**

- Nonprofit will actively pursue grant funding, sponsorships, and donations to supplement the \$400K base
- Event revenue provides additional operational support
- Allows nonprofit to build sustainable funding base while serving Brooklyn Park

**RATIONALE:**

- Provides one-year bridge for both parties to assess partnership
- Lower cost than current \$600K contract
- Reduced scope aligns with available funding
- Nonprofit can supplement through fundraising
- Allows EDA to evaluate performance before longer commitment

**OPTION C: SIX-MONTH TRANSITION PARTNERSHIP**

(Compromise Wind-Down)

**STRUCTURE:**

- Brooklyn Park contracts with nonprofit organization for transition period
- Total Fee: \$262,500 for 6 months (January 1 - June 30, 2026)
- Monthly Rate: \$43,750/month
- Term: 6 months, non-renewable

**SCOPE OF SERVICES:**

OPERATIONAL MANAGEMENT (REDUCED SCOPE):

- Day-to-day facility operations and member services
- Staff supervision and management
- Vendor coordination and facility maintenance oversight
- Financial reporting and budget management
- Business hours event coordination only

**TRANSITION SUPPORT INCLUDED:**

- Professional communication to members regarding transition
- Documentation of Office RD system and operational procedures (walkthrough format)
- Vendor contact list and introduction facilitation
- Up to 40 hours of training/orientation for incoming operator or staff (provided during final month)
- Up to 2 strategic planning meetings with incoming operator/EDA staff

**EXCLUSIONS:**

- No transfer of proprietary operational systems or manuals (developed independently outside original contract scope)
- No after-hours programming or event management
- Limited community engagement scope
- No marketing or business development activities

**RATIONALE:**

- Provides EDA with adequate time (6 months) to identify and onboard new operator
- Reduced monthly rate (\$40K vs. previous \$50K proposal) reflects compromise
- Professional transition protects member relationships and community reputation
- Allows for orderly wind-down without disruption to current members
- Clean exit point (June 30, 2026) provides closure for all parties

**ORGANIZATIONAL STRUCTURE****ENTITY FORMATION:**

- Structure: 501(c)(3) nonprofit organization
- Name: To be determined and registered prior to contract execution
- Leadership: Indred Alexander, Founding Executive Director
- Governance: Independent Board of Directors (to be recruited and established)
- Mission: Regional economic development with emphasis on underserved entrepreneurs and equitable business growth
- Service Area: Brooklyn Park and broader Twin Cities metropolitan region

**TIMELINE FOR FORMATION:**

- Articles of Incorporation filing: November 2025
- Board recruitment: November-December 2025
- IRS tax-exempt application: December 2025 - January 2026
- Operational launch: January 1, 2026 (concurrent with any approved partnership)

*Staff Questions & Operator Responses*

Staff Question	Operator Response
Are you willing to do Option C (6 Month Extension) in order to explore Options A & B further?	<p>I am willing to do Option C, with the option to consider a and b after June or earlier. I do want to note that I will not participate in a RFP process. If unwilling to move forward with a or b, I will proceed to wind down in June.</p> <p>If option A is selected, that is on a 2 year lease contract with the option to end with 6 month notice at end of lease period.</p> <p>If option B is selected, that is a 1 year commitment, so launching an RFP is your</p>

	prerogative to maybe give more options at the end of the year.
Are you saying Option A & B are only offered before the end of the current contract?	Same as above.
Do Options A & B (after a 6 month extension for further exploration) allow us to do a competitive RFP in Q1 2026?	I do want to note that I will not participate in a RFP process. If unwilling to move forward with a or b, I will proceed to wind down in June.
When you say no after hours programming (etc.), does this mean the facility would not be able to be rented after hours? Any access for dedicated members after hours?	With B or C, After hour staffing would not be included in the scope of service and would require an additional fee to those scheduling the event, not to the EDA.