



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, May 28, 2026
4:00 PM

President Blake called the meeting to order at 4:00 PM.

PRESENT: President Sholom Blake, Commissioner Al Hodnik, Commissioner Wayne Bruns, Commissioner Bill Martinetto, Commissioner Jean MacDonell

ABSENT: Commissioner Tom Sutherland, Commissioner Molly MacGregor

STAFF: Rob Mattei, Will Richter, Kimberly Gibeau

SETTING OF THE REGULAR AGENDA - *This is an opportunity to approve the regular agenda as presented, or to add/delete an agenda item by a majority vote of the Commissioners present .*

No changes or additions are noted.

APPROVE MINUTES

1. Consider approval of minutes from the May 19, 2026 special meeting.

Motion made by Commissioner MacDonell, Seconded by Commissioner Bruns to approve the May 19, 2026 Special meeting minutes as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$940.13

Motion made by Commissioner Hodnik, Seconded by Commissioner Bruns to approve the verified claims as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

PUBLIC HEARING

3. Conduct a public hearing to consider approval of a Purchase and Development Agreement with and conveyance of property to the Itasca County HRA

The Economic Development Authority (EDA) is considering an agreement to convey the former ISD 318 administration building property, located at 802 Northwest 1st Avenue, to the Itasca County Housing and Redevelopment Authority (HRA). Rob Mattei explained that the EDA entered into a preliminary development agreement with the HRA in March 2025 after the HRA expressed interest in purchasing the site for residential development. The HRA plans to build on the success of its Community Land Trust model, which has already been used to develop affordable owner-occupied homes in the Forest Lake Addition. The former school

administration property has been subdivided into Crystal Lake Estates, creating eight new single-family residential lots. Under the proposed agreement, the HRA would purchase the eight lots for \$80,000, a price intended to recover most of GREDA's acquisition costs while helping keep the future homes affordable. The conveyance is expected to close no later than August 10, 2026. Project leaders emphasized that the development will help address the community's housing needs, support a growing workforce, and expand the city's tax base.

President Blake noted purpose of the public hearing and confirmed all required notices have been made.

Motion made by Commissioner Bruns, Seconded by Commissioner Martinetto to open the public hearing. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

There was no one from the public present and wishing to speak, therefore the following motion was made.

Motion made by Commissioner Hodnik, Seconded by Commissioner Martinetto to close the public hearing. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

Motion made by Commissioner Hodnik, Seconded by Commissioner Bruns to approve the purchase and development agreement as presented, and adopt Resolution 26-04. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

BUSINESS

4. Consider adopting a resolution accepting low bid and entering into a contract with TNT Construction Group for the Crystal Lake Estates Second Addition Demolition and Utility Project in the amount of \$583,800.

Rob explained that the project is directly tied to the previously approved purchase and development agreement for the Crystal Lake Estates housing development. The work includes demolition of the former ISD 318 administration building and installation of sewer, water, and electrical utilities needed to serve eight proposed single-family homes. Bids were opened on May 19, and TNT Construction Group submitted the lowest of six bids received, with proposals ranging from \$583,800 to more than \$878,000. The winning bid came in significantly below the engineer's estimate of \$778,305, resulting in substantial cost savings and reducing the financial contribution required from both the city and the Public Utilities Commission (PUC). Funding for the project will come from several sources, including a recently approved \$350,000 grant from the IRRRB, \$180,000 from the city's state affordable housing allocation, \$80,000 in lot sale proceeds from the Itasca County HRA, and \$135,000 from the Blandin Foundation through a grant awarded the previous year.

Motion made by Commissioner Bruns, Seconded by Commissioner Martinetto to adopt Resolution 26-05, accepting low bid and entering into a contract with TNT Construction Group as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

5. Consider approval of a proposal from LHB for TIF analysis of the buildings at 533 and 900 NW 4th St.

Rob explained that the focus is on conducting building inspections to preserve future redevelopment options along a key corridor. Staff explained that while there are currently no specific development plans for the sites in question, completing inspections now would establish the necessary record to qualify the properties for a Tax Increment Financing (TIF) redevelopment district if the buildings are demolished in the future. Without the inspections, the city could lose the ability to use redevelopment TIF for those sites. At this stage, only the inspection portion would be completed; the more extensive redevelopment report would only be prepared if a future project required TIF assistance.

Motion made by Commissioner Hodnik, Seconded by Commissioner MacDonell to approve proposal from LHB for TIF analysis as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

6. Consider approval of a general engineering professional services agreement with Short Elliot Hendrickson (SEH) for 2026

Rob reviewed renewing a general services agreement that had proven valuable during the previous year by allowing quick response to project needs without requiring separate board approval for every small task. The agreement enables staff to obtain professional services such as cost estimates, conceptual sketches, and preliminary project evaluations on short notice, which is particularly helpful when negotiating potential development opportunities or responding to time-sensitive issues. It was noted that the agreement has already been useful for preparing sketches and other planning materials that support ongoing economic development efforts. While the previous agreement authorized up to \$30,000 in services, the proposed agreement reduces the maximum amount to \$20,000 because staff anticipates lower usage and expenses this year.

Motion made by Commissioner Bruns, Seconded by Commissioner Hodnik to approve general engineering professional services agreement with SEH for 2026 as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacDonell

7. Consider a request from Eclipse Building Partners for a temporary forbearance of loan payments.

Reviewed request from Eclipse Building Partners for a three-month forbearance on two loans issued in 2024: a \$200,000 Commercial Building Improvement Loan and a \$105,000 Redevelopment Loan. Rob noted that the EDA had previously granted similar forbearances during the COVID-19 pandemic, though those circumstances included suspension of interest accrual. Board members generally supported providing temporary payment relief but favored allowing interest to continue accruing during the forbearance period.

Commissioner Bruns stated his intent to abstain due to financial dealings with Eclipse Building Partners.

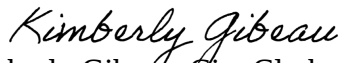
Motion made by Commissioner Hodnik, Seconded by Commissioner MacDonell to approve forbearance request for Eclipse Building Partners, while interest continues to accrue. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Martinetto, Commissioner MacDonell; Voting Abstaining: Commissioner Bruns

UPDATES

Rob provided updates on several housing and redevelopment initiatives. Union Opportunities is planning a new 99-unit apartment project on a 5.7-acre site in the southeast part of town, with rezoning and TIF assistance anticipated and a goal of beginning construction later this year. The developer's current Block 21 apartment project is nearly complete and approximately 90% leased. Staff also reported that the HRA will resubmit its 56-unit Waters Edge housing project for Low-Income Housing Tax Credit funding, while another developer is pursuing a separate 48-unit tax credit project near Golf Course Road. Also discussed the recent approval process for a taxable revenue bond intended to support redevelopment along Highway 2 West, expressing optimism that multiple development tools are helping move important projects forward.

There being no further business, the meeting adjourned at 4:27 PM.

Respectfully submitted:

A handwritten signature in cursive script that reads "Kimberly Gibeau".

Kimberly Gibeau, City Clerk