



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, March 10, 2022
4:00 PM

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, March 10, 2022 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

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 .*

APPROVE MINUTES

1. Consider approval of the minutes from the February 10th, 2022 regular meeting.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$4,976.31

BUSINESS

3. Conduct a public hearing concerning submittal of an application to the Minnesota Department of Employment and Economic Development (DEED) Minnesota Investment Fund (MIF) program for the ASV/Yanmar Expansion Project
4. Consider adoption of a resolution approving the First Amendment to the Preliminary Development Agreement with Cambium Development LLC.
5. Consider adopting a resolution accepting a grant from the Blandin Foundation for the Downtown Master Plan Project and authorize the Executive Director to execute the grant agreement.
6. Consider authorizing the issuance/publication of a request for proposals (RFP) seeking professional assistance in the preparation of an updated Downtown Master Plan
7. Consider a concept and cost proposal from Eck Designs for Industrial Park Signage
8. Discuss the Northland Foundation's Minnesota Main Street Revitalization Program application

UPDATES

9. Outcome of discussions with the Blandin Foundation relative to low interest financing options for the development of an industrial building.

ADJOURN

MEMBERS & TERMS

Rick Blake - 12/31/2022 (with Council term)

Tasha Connelly - 12/31/2022 (with Council term)

Cory Jackson - 3/1/23

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, February 10, 2022
4:00 PM

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, February 10, 2022 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik
President Sholom Blake
Commissioner Tasha Connelly
Commissioner Rick Blake

ABSENT

Commissioner Cory Jackson
Commissioner Mike Korte
Commissioner Wayne Bruns

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 .*

Approved without addition.

APPROVE MINUTES

1. Consider approval of minutes from the January 27, 2022 regular meeting.

Motion by Commissioner Hodnik, second by Commissioner Connelly to approve the minutes from the January 27,2022 regular meeting. The following voted in favor thereof: R. Blake, S. Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$703.60.

Motion by Commissioner Hodnik, second by Commissioner Connelly to approve the claims in the amount of 703.60. The following voted in favor thereof: Hodnik, Connelly, S. Blake, R. Blake. Opposed: None, passed unanimously.

BUSINESS

- 3. Consider adopting a resolution authorizing an application to the Minnesota Department of Employment and Economic Development (DEED) Minnesota Investment Fund (MIF) grant for the ASV/Yanmar Expansion Project.

The proposed project involves a significant expansion of the Grand Rapids production facility with the addition of 60,000 square feet and an additional 363 jobs by 2026. The request to the DEED MIF program will be for \$450,000 and if successful, the MIF funds will be awarded to GRED as a grant. GREDA would then provide a low or no interest loan to ASV for equipment purchases, likely with some forgivable terms based on meeting employment goals.

Motion by Commissioner R. Blake, second by Commissioner Connelly to adopt a resolution authorizing an application to the Minnesota Department of Employment and Economic Development (DEED) Minnesota Investment Fund (MIF) grant for the ASV/Yanmar Expansion Project. The following voted in favor thereof: R. Blake, S. Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

- 4. Consider approval of an amended lease with Story Art and Museum for Suite 212 of Central School.

The amended lease will move Story Art and Museum to Suite 212 on the second level. The move will provide an additional 200 sq. ft. The rate has been changed to reflect the standard second level rate. The term has not changed.

Motion by Commissioner Connelly, second by Commissioner Hodnik to approve and amended lease with Story Art and Museum for Suite 212 of Central School. The following voted in favor thereof: Hodnik, Connelly, S. Blake, R. Blake. Opposed: None, passed unanimously.

- 5. Consider providing a comment regarding the Huber Engineered Woods Project EAW

The amended EAW for the Huber Engineered Woods Project has been published and public comments will be taken between February 8 and February 24. Mr. Mattei has drafted a letter for GREDA review and approval.

Motion by Commissioner Hodnik, second by Commissioner Connelly to approve a letter providing comment regarding the Huber Engineered Woods Project EAW. The following voted in favor thereof: R. Blake, S. Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

- 6. Consider adopting a resolution approving a purchase agreement for the sale of the GREDA hangar to the Minnesota DNR.

The proposed purchase agreement has been reviewed and revised by GREDA's attorney. The purchase price of \$600,000 is within the range of value determined by a broker's opinion of value prepared by the Wellson Group for GREDA.

Motion by Commissioner R. Blake, second by Commissioner Connelly to adopt a resolution approving a purchase agreement for the sale of the GREDA hangar to the Minnesota DNR. The following voted in favor thereof: Hodnik, Connelly, S. Blake, R. Blake. Opposed: None, passed unanimously.

7. Consider approving repayment of loans with Minnesota Iron Range Resources and Rehabilitation (IRRR) and Itasca Economic Development Corporation upon receiving proceeds from the DNR purchase of the GREDA hangar

Upon receipt of the \$600,000 sale price from the DNR, staff is recommending full repayment of the loans from IRRR and IEDC. The additional proceeds will be allocated to the GREDA Capital Projects Fund.

Motion by Commissioner Connelly, second by Commissioner R. Blake to approve repayment of loans with Minnesota Iron Range Resources and Rehabilitation (IRRR) and Itasca Economic Development Corporation (IEDC) upon receiving proceeds from the DNR purchase of the GREDA Hangar. The following voted in favor thereof: R. Blake, S. Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

UPDATES

ADJOURN

There being no further business the meeting adjourned at 4:29 p.m.

MEMBERS & TERMS

Rick Blake - 12/31/2022 (with Council term)

Tasha Connelly - 12/31/2022 (with Council term)

Cory Jackson - 3/1/23

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27

DATE: 03/03/2022
 TIME: 12:22:38
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/10/2022

VENDOR #	NAME	AMOUNT DUE

EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
0508450	EHLERS AND ASSOCIATES INC	637.50
TOTAL MISCELLANEOUS PROJECT		637.50
AIRPORT SOUTH INDUSTRIAL PARKS		
1415511	NORTHERN STAR COOPERATIVE SERV	1,585.74
1415583	THE NORTHSPAN GROUP INC	1,500.00
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		3,085.74
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$3,723.24
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1309170	MN DEED	1,000.00
1621130	P.U.C.	158.08
2209665	VISA	94.99
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$1,253.07
TOTAL ALL DEPARTMENTS		\$4,976.31



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 10, 2022

STATEMENT OF ISSUE: Conduct a public hearing concerning submittal of an application to the Minnesota Department of Employment and Economic Development (DEED) Minnesota Investment Fund (MIF) program for the ASV/Yanmar Expansion Project

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

I will present the attached PowerPoint as background prior to GREDA conducting a public hearing to receive public comment pertaining to an application to the DEED MIF program. If awarded this grant from DEED, GREDA would use it to provide a no interest equipment loan to ASV/Yanmar, with forgivable terms, for equipment purchases needed for an expansion of their compact equipment manufacturing.

This public hearing is a requirement of the MIF program prior to application submittal.

RECOMMENDATION:

REQUIRED ACTION:

Conduct a public hearing concerning submittal of an application to the Minnesota Department of Employment and Economic Development (DEED) Minnesota Investment Fund (MIF) program for the ASV/Yanmar Expansion Project



Public Hearing

**Grant Application to MN Dept. of Employment and Economic
Development (DEED)**

Minnesota Investment Fund (MIF) Program

for

ASV/Yanmar Expansion Project



March 10, 2022





■ **Company Background**

- **Founded in a small garage in Marcel, MN by snowmobile industry pioneers Edgar Hetteen and Gary Lemke in 1983, ASV has grown to become an industry leader in compact equipment production, sales and parts distribution. In 1995, with support from the IRRRB, the City of Grand Rapids and the Grand Rapids EDA, ASV moved to a new facility in Grand Rapids.**
- **ASV has continued to grow and expand over the past 26 years in Grand Rapids, now employing 224 full time employees with a total annual payroll of \$21M. In 2018, when GREDA provided a similar MIF loan to ASV for their Parts Distribution Center, they employed 153. ASV occupies 300,000 square feet of production and warehouse space on a 27-acre campus.**
- **In September 2019, ASV was acquired by the Yanmar Compact Equipment division of Yanmar Group. With the merger, ASV's independent dealer network throughout North America, Australia and New Zealand joined Yanmar's global construction equipment operations.**
- **Yanmar, founded in 1912, is a global industrial equipment manufacturer, with divisions focused on small and large engines, agricultural machinery and facilities, construction equipment, energy systems, and marine equipment, machine tools and components. The Yanmar Compact Equipment division, since 1968, has been designing, manufacturing, selling and servicing mini and midi excavators, wheel loaders and wheel excavators, with production facilities in Japan, France, Germany, and now the United States.**



■ **Project Description & Drivers**

- **The proposed project involves a significant expansion of the Grand Rapids production facility spanning a four year period beginning in 2022.**
 - **Construction of a 60,000 square feet high-bay warehouse on east side of the existing manufacturing facility. (Design in 10/22 with construction beginning in 5/23)**
 - **Construction of site improvements including additional parking (following the same timeline as the warehouse)**
 - **Completions of assembly layout modifications within the existing manufacturing space to accommodate an additional assembly line. (To be completed following the completion of the warehouse in 2024)**
 - **Purchase and installation of additional tooling and equipment and staffing. (Beginning with welding cells in 2022 followed by new paint line)**
- **Two main objectives of the ASV/Yanmar business plan are driving the need to expand.**
 - **A significant ramp-up in the production of ASV and Yanmar branded Compact Track Loaders (CTL); both existing products and planned launching of new products to keep pace with the growing demand.**
 - **The relocation of a line of Yanmar Compact Mini Excavator (CEX) production from Japan to the Grand Rapids facility, designed to serve the North American market.**





Projected New Employment

- The proposed project involves a significant expansion of both hourly and salaried positions in Grand Rapids, between 2022 – 2026) The proposed addition direct jobs will raise ASV’s annual payroll from \$18M to \$54M.
- ASV provides benefits for all of its employees, including 401K contribution, health, dental, and vision insurance, PTO, short and long-term disability and paid holidays.

	2021 FTE	2026 FTE	Increase FTE	Increase (%)	Avg. Wage	Position Types/Areas
Production & Operations (hourly)	152	436	284	187%	Production \$19.82/hour Operations \$21.43/hour	Assemblers, Metal Fabricators, Welders, Painters, Warehouse Clerks
Administrative (salaried)	72	151	79	110%	\$81,250	Executives, Engineers, Human Resources, IT, Finance, Plant Management, Customer Support, Purchasing
	224	587	363	162%		

- Within the first two years of the project, it is planned that 115 of these jobs will be created. These jobs will have an average hourly wage of \$21.60/hour. The average hourly benefits will have a value of \$8.21/hour.



▪ **Project Cost/Sources/Uses of Funds**

- The following represents the anticipated sources of funds and their proposed use. (Not all sources of economic development assistance shown have been applied for, to date)

Expense Description	MN IRRR	MN DEED/GREDA	ASV/Yanmar	City	Itasca County	Total
Site Work Construction	350,000		239,000			589,000
Building Construction			3,763,000	234,000	186,000	4,183,000
A&E		Proposed MIF Loan	107,500			107,500
Building/Site Contingency			244,000			244,000
Equipment CAPEX	1,000,000	450,000	1,450,000			2,900,000
Plant CAPEX			586,000			586,000
Assembly Line Reconfiguration/Install			400,000			400,000
Employee Training		400,000				400,000
	\$1,350,000	\$850,000	\$6,789,500	\$234,000	\$186,000	\$9,409,500

- In addition, MN DEED has proposed the Job Creation Fund program which would provide rebates to ASV for building construction expenses and per job created. The estimate value of the job creation rebates is \$850,000 over 7 years. This is exclusive of the sales tax rebate on building construction, which hasn't been estimated.



- **MN DEED/GREDA Minnesota Investment Loan (MIF) Loan**
 - **The proposed project qualifies for the DEED MIF Program. Under the MIF program:**
 - **GREDA would submit an application for a \$450,000 grant from DEED**
 - **When approved by DEED, GREDA will execute a grant contract with DEED and use the grant proceeds to provide a \$450,000 equipment loan to ASV.**
 - **Loan Terms:**
 - **0% interest, 7 year term.**
 - **GREDA has the ability to provide forgivable terms on 100% (\$450,000) of the loan, which will be tied to job creation estimates provided for the first two years following the loan. I am recommending GREDA provide those forgivable terms to ASV.**



- **City Council**

- At their February 14 meeting, the City Council adopted a resolution in support of GREDA's application for MIF funding.

- **GREDA Public Hearing**

- The purpose of today's public hearing is to give the public an opportunity to express comments on the project. It is a requirement of the MIF program.
- A notice of this meeting was published in the Grand Rapids Herald Review on February 27.



Questions/Comments



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 10, 2022

STATEMENT OF ISSUE: Consider adoption of a resolution approving the First Amendment to the Preliminary Development Agreement with Cambium Development LLC.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA executed the attached Preliminary Development Agreement (PDA) with 4A Management LLC on September 23, 2021. As you will recall, the PDA establish 4A Management as the sole developer of the GREDA VFW/Rose downtown site for a period of 180 days to allow them an opportunity to analyze and perform due diligence concerning their intended development of the site as a multi-level, mixed-use commercial building.

Over the course of the past 180 days, the principal investors formed a new business for the project, Cambium Development, LLC. Cambium has contracted with JLJ Management, LLC to act as the project developer. An architectural firm was hired, and new design options and cost estimates are in development.

The proposed First Amendment to the Preliminary Development Agreement establishes Cambium Development as the revised party to the Agreement with GREDA and grants Cambium an additional 180 days to complete their construction cost estimating, real estate proforma, and financing plan for the project, which may include a request for TIF or Tax Abatement.

RECOMMENDATION:

Adopt a resolution approving the First Amendment to the Preliminary Development Agreement with Cambium Development LLC.

REQUIRED ACTION:

Pass a motion adopting a resolution approving the First Amendment to the Preliminary Development Agreement with Cambium Development LLC.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

APPROVING A FIRST AMENDMENT TO A PRELIMINARY DEVELOPMENT
AGREEMENT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY AND CAMBRIUM DEVELOPMENT, LLC

BE IT RESOLVED by the Board of Commissioners (the “Board”) of the Grand Rapids Economic Development Authority (the “Authority”) as follows:

1. Background.

1.01. The Authority, and 4A Management, LLC, a Minnesota limited liability company (the “Original Developer Entity”), entered into a Preliminary Development Agreement, dated September 23, 2021 (the “Original Agreement”), providing for the negotiation and execution of a mutually satisfactory purchase and development agreement (the “Contract”) to address (among other things) the sale of certain property within the City (the “Property”) by the Authority and the construction of a mixed use development consisting of ground level and basement restaurant and retail space, upper level residential units, and rooftop space (the “Development”).

1.02. Since the date of the Original Agreement, the Original Developer Entity formed a new entity to undertake the Development named Cambium Development, LLC (the “Developer”).

1.03. The Authority and the Developer propose to amend certain terms of the Original Agreement to reflect the newly formed entity and to provide the parties with more time to negotiate the Contract.

1.04. There has been presented before the Board a First Amendment to Preliminary Development Agreement (the “Amendment”) proposed to be entered into between the Authority and the Developer, which sets forth modifications to the Original Agreement.

1.05. The Board has reviewed the Amendment and has determined that it is in the best interests of the Authority to approve and execute the Amendment.

2. Approval of Amendment.

2.01. The Authority approves the Amendment, and authorizes and directs the President and Executive Director to execute the same in substantially the form on file, subject to modifications that do not alter the substance of the transaction and are approved by the President and Executive Director, provided that execution of the Amendment by such officials will be conclusive evidence of their approval.

2.02. Authority officials and consultants are authorized to take any other actions necessary to carry out the Authority’s obligations under the Amendment and the Original Agreement and to bring the Contract before the Board.

Approved this 10th day of March, 2022, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary

**FIRST AMENDMENT TO PRELIMINARY
DEVELOPMENT AGREEMENT**

THIS FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (the “Amendment”) dated as of March __, 2022, is by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (the “Authority”), and CAMBIUM DEVELOPMENT, LLC, a Minnesota limited liability company (the “Developer”), and amends the Preliminary Development Agreement, dated September 23, 2021 (the “Original Agreement,” and together with this Amendment, the “Agreement”), between the Authority, and 4A Management, LLC (the “Original Developer”).

RECITALS

A. The Authority and the Original Developer entered into the Original Agreement to provide for the negotiation and execution of a mutually satisfactory purchase and development agreement (the “Contract”) that will address (among other things) the sale of certain property within the City (the “Property”) by the Authority to the Original Developer and the construction by the Original Developer of a mixed use development consisting of ground level and basement restaurant and retail space, upper level residential units, and rooftop space (the “Development”). The Original Developer has formed a new entity to undertake the Development named Cambium Development, LLC (the “New Developer”).

B. The Authority and New Developer determined it to be in the best interests of all parties to amend certain terms of the Original Agreement to reflect that the New Developer will undertake the Development and to provide the parties with more time to negotiate the contract.

C. The Authority and New Developer agree to modify certain terms and conditions of the Original Agreement as set forth below.

NOW, THEREFORE, in consideration of the premises and the mutual obligations of the parties hereto, each of them does hereby covenant and agree with the other as follows:

1. Name of Developer. The term “Developer” in the Original Agreement is amended to mean Cambium Development, LLC.

2. Amendment to Section 8 of the Original Agreement. Section 8 of the Original Agreement is amended to read as follows (deleted language is stricken and new language is underlined):

Section 8. Term of Agreement. This Agreement is effective ~~for one hundred and eighty (180) days from the date hereof~~ for one hundred and eighty (180) days from the date of execution of this Amendment. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

This Agreement may also be terminated upon ten (10) days written notice by the City or Authority to the Developer if:

- (a) an essential precondition to the execution of a definitive Contract cannot be met; or
- (b) if, in the sole discretion of the City and the Authority, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract;
- (c) or the Developer has failed to provide additional funds to pay for Administrative Costs in accordance with Section 6 hereof.

3. Confirmation of Original Agreement. Except as amended by this Amendment, the Original Agreement shall remain in full force and effect.

4. Effective Date. The amendments made to the Original Agreement, as set forth in this Amendment, shall be effective as of the date and year first written above.

5. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the Authority, and the New Developer have caused this Amendment to be duly executed by their duly authorized representatives.

CAMBIUM DEVELOPMENT, LLC

By _____
Its: _____

By _____
Its: _____

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Its President

By _____
Its Executive Director

PRELIMINARY DEVELOPMENT AGREEMENT

THIS AGREEMENT, made and entered into this 23rd day of September, 2021, the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (“Authority”) and 4A Management, LLC, a Minnesota limited liability company (“Developer”):

RECITALS

WHEREAS, the Authority owns certain property within the City of Grand Rapids, Minnesota (the “City”), described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Developer has submitted a preliminary proposal attached as Exhibit B (the “Proposal”) for the acquisition and development of the Property for the construction of a mixed use development consisting of ground level and basement restaurant and retail space, upper level residential units, and rooftop space (the “Development”); and

WHEREAS, the Authority has determined that it is in its best interest that the Developer be designated sole developer of the Property during the term of this Agreement; and

WHEREAS, the Authority and the Developer are willing and desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding the Authority’s commitment for any public assistance that may be necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by the Developer; (iii) the economic feasibility and soundness of the Development can be demonstrated; and (iv) satisfactory resolution of zoning, land use, site design, and engineering issues, and other necessary preconditions have been determined to the satisfaction of the parties; and

WHEREAS, the Authority is willing to evaluate the Development and work toward all necessary agreements with the Developer if the Developer agrees to make the nonrefundable deposit described herein, which is intended, in part, to reimburse the Authority for their costs if the Development is abandoned by Developer or necessary agreements are not reached under the terms of this Agreement.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

Section 1. Intention of Parties. It is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; and (b) will lead to negotiation and execution of a mutually satisfactory Purchase and Development Contract (the “Contract”) prior to the termination date of this Agreement. The Contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed, will supersede all obligations of the parties hereunder.

Section 2. Outline of Negotiations. Negotiations between the parties shall proceed in

an attempt to formulate a definitive Contract based on the following:

- (a) the Developer's current Proposal together with any changes or modifications required by the Authority;
- (b) such documentation regarding economic feasibility of the Development as the Authority may wish to undertake during the term of this Agreement; and
- (c) other terms and conditions of this Agreement.

The parties agree and understand that negotiations regarding the Contract will proceed as soon as reasonably practicable after the date of this Agreement, as sufficient details for the Development become available.

Section 3. Developer's Obligations. During the term of this Agreement, the Developer shall:

- (a) Submit to the Authority a design proposal to be approved by the Authority showing the location, size, and nature of the proposed Development, including floor layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the commencement and completion of all phases of the Development.
- (b) Submit a cost estimate for the design and construction of the Development.
- (c) Submit a time schedule for all phases of the Development.
- (d) Submit to the Authority the Developer's financing plan showing that the proposed Development is financially feasible, and, to the extent Developer seeks public financial assistance in any form (including reduced land cost, waiver of fees, tax increment financing or abatement financing), evidence that such assistance is reasonably necessary to make the Development financially feasible.
- (e) Furnish satisfactory financial data to the Authority evidencing the Developer's ability to undertake the Development.
- (f) Submit zoning, land use, platting and subdivision applications for the Development, as appropriate.
- (g) Submit any soil borings obtained by the Developer to the Authority.
- (h) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as the Developer may desire to further confirm the economic feasibility and soundness of the Development.
- (i) Provide any other information that the Authority may request.

Section 4. Authority's Obligations. During the term of this Agreement, the Authority

agrees to:

- (a) Proceed to seek all necessary information with regard to the anticipated public costs associated with the Development.
- (b) Review zoning, planning and subdivision implications of the Development, as appropriate.
- (c) Analyze the Redeveloper's pro forma and estimate the amount and type of public financial assistance, if any, needed to make the Development feasible and authorized under the laws of the State of Minnesota.

Section 5. Contingencies. It is expressly understood that execution and implementation of the Contract shall be subject to:

- (a) A determination by the City and the Authority, in their sole discretion, that any public financial assistance for the Development is feasible based on the projected sources available, and that financial assistance is warranted based on the Developer's pro forma and any other information provided to the City and Authority.
- (b) A determination by the Developer that the Development is feasible and in the best interests of the Developer.
- (c) A determination City Council of the City and the Board of Commissioners of the Authority that the Development is in the best interests of the City and the Authority.

Section 6. Reimbursement of Costs. The Developer shall be solely responsible for all costs incurred by the Developer. In addition, the Developer shall reimburse the City and the Authority for Administrative Costs, as hereafter defined. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the City and the Authority attributable to or incurred in connection with the negotiation and preparation of this Agreement, the Contract, and other documents and agreements in connection with the Development, including without limitation all costs in connection with replatting of the Property and the cost of financial advisors, attorneys, engineering and planning and environmental consultants. Notwithstanding the foregoing, the Authority shall pay for ½ of its costs incurred in connection with the negotiation and preparation of this Agreement.

In order to secure payment of the Administrative Costs, the Developer shall deliver to the Authority cash or a certified check in the amount of \$5,000, such delivery to occur upon delivery by the Developer of Developer's Business Assistance Application. If at any one or more times during the term of this Agreement, the Authority determines that Administrative Costs will exceed \$5,000 and that additional security is required, the Authority shall notify the Developer of the amount of such additional security. Within ten (10) calendar days of receipt of this notice, the Developer shall deliver to the Authority the required additional security. The City and the Authority will utilize the funds delivered by the Developer to pay or reimburse themselves for Administrative Costs. Upon termination of this Agreement, the Authority will return to the Developer the funds paid by the Developer to the Authority pursuant to this Section 6, less an amount equal to the Administrative

Costs incurred by the City and the Authority through the date of notice of termination. For the purposes of this paragraph, Administrative Costs are considered to be incurred if they have been paid, relate to services performed, or are payable under a contract entered into, on or before the date of the notice of termination.

This Section 6 shall survive termination of this Agreement and shall be binding on the Developer regardless of the enforceability of any other provision of this Agreement.

Section 7. Designation As Sole Developer of Property. The Authority hereby agrees that for the term of this Agreement it will not:

- (i) provide or enter into any agreement for the provision of financial assistance to any third party in connection with any proposed development within the Property; and
- (ii) negotiate or contract with any other party concerning the sale or development of the Property.

During such period the Developer shall have the exclusive right to work with the Authority in negotiating a definitive Contract for the Property. The Developer may not assign its rights or obligations under this Agreement to any person or entity without prior written approval by the Authority.

Section 8. Term of Agreement. This Agreement is effective for one hundred and eighty (180) days from the date hereof. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

This Agreement may also be terminated upon ten (10) days written notice by the Authority to the Developer if:

- (a) an essential precondition to the execution of a definitive Contract cannot be met; or
- (b) if, in the sole discretion of the Authority, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract;
- (c) or the Developer has failed to provide additional funds to pay for Administrative Costs in accordance with Section 6 hereof.

Section 9. Remedies. In the event that the Developer, its heirs, successors or assigns, fail to comply with any of the provisions of this Agreement, the Authority may proceed to enforce this Agreement by appropriate legal or equitable proceedings, or other similar proceedings, and the Developer, its heirs, successors or assigns, agree to pay all costs of such enforcement, including reasonable attorneys' fees.

Section 10. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

Section 11. Amendment and Waiver. In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

Section 12. Notice. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

- (a) As to the Developer: 4A Management, LLC
520 NW 1st Ave.
Grand Rapids, MN 55744
Attn: Dan Margo, Manager
- (b) As to the Authority: Grand Rapids Economic Development Authority
420 N. Pokegama Avenue
Grand Rapids, MN 55744
Attn: Executive Director

Section 14. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 16. Indemnification. The Developer hereby agrees to protect, defend and hold the Authority, the City and their officers, elected and appointed officials, employees, administrators, commissioners, agents, and representatives harmless from and indemnified against any and all loss, cost, fines, charges, damage and expenses, including, without limitation, reasonable attorneys fees, consultant and expert witness fees, and travel associated therewith, due to claims or demands of any kind whatsoever caused by Developer or arising out of actions of Developer with regard to (i) the development, marketing, sale or leasing of all or any part of the Property, including, without limitation, any claims for any lien imposed by law for services, labor or materials furnished to or for the benefit of the Property, or (ii) any claim by the state of Minnesota or the Minnesota Pollution Control Agency or any other person pertaining to the violation of any permits, orders, decrees or demands made by said persons or with regard to the presence of any pollutant, contaminant or hazardous waste on the Property deposited or released by Developer; and (iii) or by reason of the execution of this Agreement or the performance of this Agreement. The Developer, and the Developer's successors or assigns, agree to protect, defend and save the Authority, the City and their members, officers, agents, and employees, harmless from all such claims, demands, damages, and causes of action and the costs, disbursements, and expenses of defending the same, including but not

limited to, attorneys fees, consulting engineering services, and other technical, administrative or professional assistance incurred by the Authority and the City as a result of the actions of Developer. This indemnity shall be continuing and shall survive the performance, termination or cancellation of this Agreement. Nothing in this Agreement shall be construed as a limitation of or waiver by the Authority or the City of any immunities, defenses, or other limitations on liability to which the Authority is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and its seal to be duly affixed hereto, and the Developer has caused this Agreement to be duly executed as of the day and year first above written.

4A MANAGEMENT, LLC

By _____
Dan Margo

Its: Manager

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Its Vice President

By _____
Its Executive Director

EXHIBIT A

Description of Property

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

The East Forty-five feet (E. 45') of the West One Hundred Three and Three tenths feet (W. 103.3') of Lots Thirteen (13), Fourteen (14) and Fifteen (15), LESS the South one and eight tenths feet (S. 1.8') thereof, all in Block Eighteen (18), Town of Grand Rapids AND That part of Lot Fifteen (15) and Sixteen (16) of Block Eighteen (18), Town of Grand Rapids, described as follows: Commencing at a point on the East boundary line of the East 45 feet of the West 103.3 feet of said Lot 15, which point is 1.8 feet North of the South boundary of said Lot 15 and is the point of beginning; thence South along an extension of the East line of the Marr Building a distance of 7 feet; thence West and parallel to the boundary (South) line of the Marr Building a distance of 25 feet 11 inches, more or less, to the Eastern wall of the First National Bank Building as the same presently exists; thence North along said Eastern wall a distance of 7 feet to a point directly opposite the point of beginning; thence East a distance of 25 feet 11 inches, more or less, to the point of beginning and to there terminate, Itasca County, Minnesota.

PID: 91-410-1840

Abstract

and

Approximately the East thirty-nine feet of Lots Thirteen (13), Fourteen (14) and Fifteen (15) and the East thirty-nine (39') of the north ten (10') feet of Lot Sixteen (16), all in Block Eighteen (18), Town of Grand Rapids, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Itasca County, Minnesota.

PID: 91-410-1850

Abstract

EXHIBIT B

Development Proposal

LETTER OF INTENT

September 1, 2021

Dear Grand Rapids Economic Development Authority:

Please accept this letter as a request to enter into discussions and an eventual partnership and purchase agreement regarding the lot on the south side of Third Street, downtown Grand Rapids, Minnesota (the old VFW lot).

We have studied the site and the opportunities for its development. We propose a purchase at the current listed price. We plan to develop, build a four or five-story structure on the site (basement, ground level, and three levels above).

The purpose of the building would be to provide market rate, residential type units and space for ground level retail. The focal point of the building would be "The Pines Restaurant", an upscale casual dining establishment. The Pines Restaurant would be located on the east side of the ground level (against the alley). Please see the first enclosure.

The west half of the ground level would provide a second retail space. We have been exploring options for partnering with complementary regional retailers that could help to fill a community need and demand.

The basement level would provide space for a small speakeasy (supported by The Pines Restaurant). In addition, the basement level would provide office space for the main level businesses and mechanical and storage for the building as a whole.

Levels two, three, and four would provide space for rental units. These units will be considered for short term "VRBO type" rental and for long-term market rate apartments. A small boutique hotel has also been suggested.

In addition, plans include a top level outdoor facility that could be used by building residents and/or provide space for rooftop dining, cocktails, and/or event space (seasonal).

For preliminary architectural drawings, please see the second enclosure.

Square foot breakdown...

- * Each level provides approximately 5000 sq. ft.
- * The Pines Restaurant would occupy approximately 2050 sq. ft.
- * The second retail space would provide approximately 1050 sq. ft.
- * The apartments would range from 865 to 1300 sq. ft.
- * The speakeasy would require approximately 500 sq. ft.
- * Each level would also require a significant square footage for "common area".

Most recent construction estimates come in at approximately \$6 million for a three-story (above ground) structure. Estimates at approximately \$7.5 million for a four-story structure.

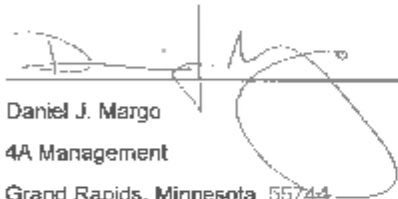
Cash flow analysis for the building (and for The Pines Restaurant) are currently being constructed by our accountant (Mr. Shalom Blake). Simultaneously, investors are being informed, interviewed, and recruited.

We intend to move forward with great purpose and efficiency. We intend to work cooperatively with the City of Grand Rapids, the neighboring landlords, the neighboring business owners, and the Grand Rapids Economic Development Authority.


Please carefully consider this request for partnership and the sale of your VFW lot.

We look forward to responsible, efficient, cost-effective, cooperative development.

Sincerely,



Daniel J. Margo
4A Management
Grand Rapids, Minnesota 55744



Kyle O'Brien
The Pines Restaurant
Grand Rapids, Minnesota 55744



The Executive Summary

Description of the Business

The Pines Restaurant is a local and sustainability based new American restaurant. We will specialize in providing high quality food, customer service, drinks and cocktails to the market of the greater Grand Rapids area, and will utilize any number of local, sustainable products. The Pines Restaurant's from scratch cooking and upscale casual environment is something that does not exist anywhere else in the region and will be the forerunner of elevating the dining scene in northern Minnesota. The basement speakeasy will provide a craft cocktail program that is also not available in the region. By utilizing local purveyors and producers, we will draw a direct line between community, food, hospitality, and guest satisfaction. This ensures that we will highlight the products and places that best represent what northern Minnesota has to offer and build a customer base that values these ideas. Through community and true passion for food and beverage, The Pines will stand out as an exemplary dining experience. Whether lunch or dinner, or brunch in the future, The Pines will stand out easily compared to other restaurants in the area.

Description of the Market

The target market of The Pines Restaurant is a wide breath of people who truly care where their food and drinks are from, and how it is prepared. With a burgeoning number of households in the >\$100,000 annual income, there is a vast market of people who live in the area in dire need of someplace to enjoy a fine experience on any given night. We will also shine as the prime location for birthdays, anniversaries, date nights and other celebratory occasions. The local population has expressed great desire for a new, better, healthier, and more diverse restaurant to enjoy. This, along with the number of tourists and travelers coming through the Grand Rapids area searching for a place to receive high quality food prepared from scratch, with the modernity of a city restaurant, will ensure guests of all backgrounds, and from any location, will look forward to dining with us.

Description of the Operations

The Pines Restaurant will be located at the old VW site in a building in the heart of downtown Grand Rapids. The Pines Restaurant will be open 6 days a week for both lunch and dinner service. Our basement speakeasy will be open from 5 to close, 6 nights a week and provide a perfect area to enjoy a cocktail before or after dinner, or meet friends, family or colleagues. We have a capacity of 56 people in our main dining area and a capacity of less than 20 in the speakeasy. There will be a small but highly trained core staff, trained to adhere to the standards as set forth by the Executive Chef, Kyle O'Brien, and the General Manager, Amanda McCabe. We plan on turning out a selection of sandwiches, soups and salads for lunch. All made from scratch and ready to be enjoyed in the building, or as a focus, as a quick grab and go lunch option for the working people of

Grand Rapids. Dinner will be the core draw of the restaurant, and the majority of revenue. The idea of spending 1 ½ - 2 hours at dinner, enjoying a variety of options for personal enjoyment or sharing, combined with a choice beer, wine, and cocktail list will allow diners to relax and enjoy themselves in our minimal, clean, and open dining room. See menu for examples of cuisine. An open service kitchen will also provide entertainment for guests, as well as put our cooking, our passion for products, and our modern restaurant ethos on full display for the benefit of the dining public and the community at large.

Profitability

The Pines Restaurant at this stage of financial planning, does indeed show a comfortable profit to pay our bills, our employees, our investors and all partners necessary in starting this venture. We have worked with Rob Sjostrand at the Itasca Economic Development Corporation to comb over our financial details and run metrics on market and demographics, to ensure that our proposed model will indeed result in success. As we have spoken with other small business owners in the area, we have become assured of the success of The Pines Restaurant based both on word of mouth and over all community excitement, as well as our financial projections to the best of our ability. The time is right for the growing and modernizing city of Grand Rapids to have a restaurant to embody the forward thinking community of diners ready to spend their money at an establishment that cares about the same things they do, and can execute those ideals well.

Statement of Request

We are opening the door to the process of financing our business through a variety of loans, grant programs, investors and any other body that wishes to be involved in our enterprise. We wish to align ourselves with others who believe in the core ethics of The Pines (locality, sustainability, seasonality and creativity) and believe deeply in the success of our model. We are asking for a full conversation on the ways in which you can help us achieve our goals and provide the Grand Rapids area with a new, modern, ethical dining and drinking establishment.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 10, 2022

STATEMENT OF ISSUE: Consider adopting a resolution accepting a grant from the Blandin Foundation for the Downtown Master Plan Project and authorize the Executive Director to execute the grant agreement.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA previously authorized an application to the Blandin Foundation for funding assistance in completing an updated downtown master plan. GREDA's request for \$40,000 has been approved by the Foundation.

State statute requires that cities and economic development authorities accept gifts such as this by resolution.

RECOMMENDATION:

Adopt a resolution accepting a grant from the Blandin Foundation for the Downtown Master Plan and authorize the Executive Director to execute the grant agreement.

REQUIRED ACTION:

Pass a motion adopting a resolution accepting a grant from the Blandin Foundation for the Downtown Master Plan and authorize the Executive Director to execute the grant agreement.

Commissioner _____ introduced the following resolution and moved for its adoption:

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
RESOLUTION NO. 22-

A RESOLUTION ACCEPTING A \$40,000.00 GRANT FROM THE BLANDIN
FOUNDATION FOR THE DOWNTOWN PLAN PROJECT

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, that the Grand Rapids Economic Development Authority, Grand Rapids, Itasca County, Minnesota, accepts the \$40,000.00 grant award from the Blandin Foundation for costs associated with the completion of a Downtown Master Plan.

Adopted this 10th day of March, 2022.

Sholom Blake, President

Attest:

Rob Mattei, Executive Director

Commissioner _____ seconded the foregoing resolution and the following voted in favor thereof: _____; and the following voted against same: _____, whereby the resolution was declared duly passed and adopted.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 10, 2022

STATEMENT OF ISSUE: Consider authorizing the issuance/publication of a request for proposals (RFP) seeking professional assistance in the preparation of an updated Downtown Master Plan

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

The preparation of a new, updated, master development plan and strategies for achieving that vision are a priority in GREDA's Work Plan for 2022. The new plan will replace a plan that has been significantly implemented since its creation in 2006.

The budget for this project is \$80,000. GREDA has just approved a grant of \$40,000 from the Blandin Foundation for this project. Additionally, on behalf of GREDA, the City applied for a \$20,000 IRRR Development Partnership grant, which according to IRRR staff, has been approved by the IRRR Commissioner.

In the coming months, GREDA can solicit smaller contributions, if desired, from other partners in the community, such as the Chamber of Commerce and IEDC. However, staff would like to advance this project now if GREDA is content with assuming the full remaining cost of the project if those contributions do not materialize.

RECOMMENDATION:

Authorize the issuance/publication of a request for proposals (RFP) seeking professional assistance in the preparation of an updated Downtown Master Plan.

REQUIRED ACTION:

Pass a motion authorizing the issuance/publication of a request for proposals (RFP) seeking professional assistance in the preparation of an updated Downtown Master Plan

REQUEST FOR QUALIFICATIONS AND PROPOSALS

**PREPARATION OF AN UPDATED DOWNTOWN PLAN
GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
GRAND RAPIDS, MINNESOTA**

PURPOSE

The Grand Rapids Economic Development Authority (GREDA) seeks the services of a qualified multi-discipline consultant or consultant team who will be responsible for providing services that result in an updated downtown master plan. The selected consultant team will have considerable experience in developing downtown plans, particularly for communities of a size and standing similar to Grand Rapids, and possess significant urban planning, civil engineering and public engagement capabilities. The consultant team should also possess a depth of experience in community and economic development as well as analysis of market conditions.

The consultant will develop and lead a planning process that features active public participation to combine local knowledge and leadership with professional expertise and guidance. GREDA's intent is to provide its residents, corporate citizens and new investors with a downtown plan that articulates a vision for the short and long-term improvements to the public and private realm that foster additional investment and enhances downtown Grand Rapids as a more livable, walkable and thriving urban center.

BACKGROUND

The City of Grand Rapids, a community of approximately 11,300 residents with a market draw of more than 50,000 people, is located at the region's retail trade, health care, education, governmental, and cultural center. Grand Rapids prides itself on its unique and progressive blend of small town character and hospitality with modern conveniences and abundant opportunities for cultural and recreational fulfillment.

Grand Rapids has seen the highest rate of population growth in the Northeast Arrowhead Region, and the highest per capita permitted development since 2010. Forest products, mining and tourism have historically been the dominant industry clusters driving the Grand Rapids area economy; however, Grand Rapids has made consistent progress toward diversifying its economic base with growth in machining/fabrication as well as health care services. Grand Rapids is home to UPM Blandin Paper Company, ASV/Yanmar Inc. (manufacturer of compact construction equipment), Minnesota Diversified Industries, Arrowhead Promotion and Fulfillment, Olympak Printing and Packaging and other industries.

In addition to its business, industrial and tourism assets, the City of Grand Rapids is the home to the Blandin Foundation and a number of amenities such as visual and performing arts centers, a civic center, a regional library, trails and recreational facilities and the Itasca County YMCA. Two new elementary schools as well as additions to the Itasca Community College campus are recent additions to the community.

Out of concern over declining investment and activity in the downtown, GREDA, together with the Downtown Business Association, Chamber of Commerce and others in 2006, led a community driven effort supported by a planning consultant to gather input and prepare a *Downtown Redevelopment Masterplan*.

The City Comprehensive Plan, updated in 2020, reflects the community's continued desire to strengthen the downtown as "the heart of the community". While the community has been reasonably successful in promoting and securing investment in the downtown since the *Downtown Redevelopment Masterplan* adoption, there is a strong desire to build upon those successes in light of the current state of and plans



for our community, changes in the retail environment, evolving consumer preferences, and increasing mobility options.

GREDA is seeking proposals from qualified professionals to aid them in the development of an updated downtown master plan that creates a defined vision for the downtown and identifies a specific plan of action directed towards attainment of that vision.

PROJECT SCHEDULE

The Grand Rapids Economic Development Authority (GREDA) is on a schedule for consultant selection that should culminate in formal action to hire a consultant at the regular GREDA meeting on _____, 2022. The process to develop the Downtown Plan should begin in earnest shortly thereafter.

Intermediate milestones in the development of the Downtown Plan will be established after the successful consultant is selected. The project should be finalized no later than _____, 2022.

MINIMUM PUBLIC PARTICIPATION

Several stakeholder groups should be given the opportunity to participate in the process of developing the Downtown Plan. Such groups include:

- The public at large
- The Grand Rapids Economic Development Authority
- All property owners within the plan area
- All residents within the plan area
- All business owners renting/leasing property within the plan area
- Grand Rapids Area Visitor and Convention Bureau
- The Grand Rapids Area Chamber of Commerce
- City of Grand Rapids Community Development Department Staff
- Other City Departments as necessary and appropriate, such as:
 - Police
 - Public Works
 - Engineering

The public participation process proposed must promote meaningful participation that educates, offers participants opportunities to discuss and resolve issues, and creates a sense of ownership of the plan by the participants.

The consultant's role in the public participation process, at a minimum, will include:

- Organizing and scheduling meetings – with aid provided by the Community Development Department.
- Conducting/facilitating meetings/visioning sessions, walk audits, design charrettes, and surveys.
- Providing technical expertise/advice
- Recording public comments
- Identifying areas of consensus
- Translating the input received during the process into alternative visions
- Presentation of preliminary plan concepts to key stakeholders
- Presentation of final plan concepts to key stakeholders



The consultants suggested approach towards public participation should be included within the work plan, required under the proposal contents section. The consultant and GREDA will develop the precise method of optimizing public participation jointly after consultant selection, and early in the project schedule.

REQUIRED PROJECT DELIVERABLES

Hard copies of the final "Downtown Plan" document containing text and graphics should be in 8 ½" x 11" format. Larger graphics in the report could be folded 11" x 17" sheets. Twenty-five (25) copies of the final plan are required.

Two electronic copies of the downtown plan document, including graphics, shall be provided. One copy shall be provided in a MS Word format and the other shall be provided in an Adobe Acrobat (PDF) format.

DESIRED PROJECT OUTCOMES/STATEMENT OF WORK

The project consultant will prepare a comprehensive downtown plan that translates the priorities of the community into specific, attainable, development and redevelopment goals for the downtown that focus on establishing/strengthening the downtown as the physical and social heart of the community. The downtown plan will go beyond the concept stage to create redevelopment strategies tailored to the specific needs and conditions in Grand Rapids.

At a minimum, the plan development will include an assessment and specific recommendations in the following areas. Other deliverables may be added, at the discretion of GREDA, or by recommendation of the consulting firm.

REVIEW OF CURRENT PLANS

- The planning process should involve stakeholders in gaining an understanding of previous planning, synthesizing and joining the pertinent aspects of past plans to maintain continuity of vision without constricting new ideas and integrating new development influences and community desires. This review of previous planning shall include, but not be limited to:
 - Incorporate into the planning process applicable guidance provide by the [City Comprehensive Plan](#).
 - A review of the [2006 Downtown Redevelopment Masterplan](#) including, at a minimum, a revisit of the Guiding Principles, a review of accomplishments and possible revisions to the planning area boundary.
 - A review of the [2009 Riverfront Framework Plan](#), in particular areas of overlap with the *Downtown Redevelopment Masterplan* planning area.
 - A review of the strategies recommended within the City's arts and culture plan *GRMN Creates, an Arts and Culture Roadmap* and other [arts and culture guiding documents](#).
 - Other plans that should be reviewed by the consultant for any relevant guidance include: [2014 Grand Rapids Market Area Profile](#), [2019 City of Grand Rapids Housing Study](#),

LAND USE

- With stakeholder involvement, assess the assets and liabilities of the downtown to identify the highest opportunity places to create and enhance the network of destinations in the downtown.
- Map current land uses in the downtown and immediate surrounding area and consider unique aspects of downtown sub-areas or districts in the planning process.



- Inventory commercial and retail space vacancy levels and underutilization.
- Identify and prioritize specific sites for development and redevelopment and their preferred uses or adaptive reuses.
- Inventory the status and quality of transportation and circulation systems including automobile parking, pedestrian routes, bicycle parking and micromobility deployment/use.
- Identify cultural, recreational and institutional assets, such as museums, library, art studios, public art, parks, trails and government services and consider how they can be enhanced to better support the downtown as a community gathering space/destination.
- Determine whether and how existing land uses or physical characteristics help or hinder economic development efforts i.e.; parking lot locations, vacant parcels, railroad corridor, variety of businesses, etc.

TRANSPORTATION

- Through the planning process, embrace the perception of streets not only as conduits for automobiles but also, as places that are an opportunity to add value to the community by enhancing economic productivity and social engagement.
- Equitably consider all modes of mobility in downtown transportation planning.
- Consider the current and potential roles for public transit linkages to the downtown.
- Consider non-traffic solutions to traffic problems, such as increasing mixed-use development and high density housing opportunities in and near the downtown.
- Survey the community, and specifically downtown business owners, about traffic concerns, parking, and general accessibility.
- Determine if traffic speeds are appropriate for the downtown context and if calming measures are needed.
- Conduct field surveys to record the amount and location of on and off street parking in the downtown, calculate the parking requirements for existing and future land uses, identify deficiencies, and define short and long-term strategies for improvements to downtown parking, including accommodation of residential and hospitality uses that require longer term parking.
- Review the interaction of on street parking with traffic flow.
- Assess the pedestrians ease in crossing streets and provide recommendations for improvements that do not conflict with other design standards.

URBAN DESIGN IMPROVMENTS

- Affirm the identity of core downtown streets and critical street intersections.
- Catalog existing sidewalk and pathway conditions, and identify important linkages within and connecting to the downtown.
- Identify existing landscaping in the downtown and create a plan to maintain trees and plantings as part of the urban infrastructure.
- Review the existing streetscape elements (vintage lighting, street furnishings, plantings, and sidewalk and street pavement treatments) of the downtown and consider revisions to and/or expansions of it.
- Identify public space opportunities in the downtown and examine their full multi-use potential as a means to create a sense of place and attract and bring people together.
- Consider improvements to the plan/programs for building façade improvement in the downtown.



- Identify priorities for the improvement of on and off street public parking.
- Identify potential infill and new development opportunities in the downtown, prioritize those opportunities, and identify strategies for their implementation.
- Review design guidelines created by the Grand Rapids Economic Development Authority and consider whether similar design guidelines should be established as a universal requirement for the downtown.

MARKET ASSESSMENT, ECONOMIC NICHE AND DEVELOPMENT STRATEGIES

- Utilizing available data sources, including access to geo-location data within the downtown and the broader community, as well as credit card data through the City's Datafy (See Source) subscription to profile who is currently visiting the downtown and whom we envision using the downtown.
- Define the downtown's economic niche to inform strategies for marketing, promotion and design/appearance.
- Provide recommendations for how the downtown can better serve these categories of users.
- Identify business categories that may be missing from the downtown that would serve the interests of the identified categories of visitor users and local users.

IMPLEMENTATION STRATEGIES

- Define strategies, including financing options, for implementation of all aspects of a downtown plan that takes into consideration: need, feasibility, and consistency with the downtown vision.
- Assess the organizational capacity of community stakeholders to play a role in implementation.
- Strategies will identify sub-tasks and timelines where appropriate and assign roles and responsibilities for community stakeholders.

PROPOSAL CONTENTS

The consultant's proposal should include, but not be limited to the following information:

- 1) A summary of the consultant team and individuals that will work on the project.
- 2) A description of the consultant's philosophy regarding social, economic, human, environmental, and related values that provide the basis for the consultant's approach to the project.
- 3) A general restatement and/or enhancement of the desired project outcomes.
- 4) A work plan that will lead to the desired outcomes.
- 5) A description of the consultant's plan to optimize public participation.
- 6) A proposed project schedule.
- 7) A detailed description of the SINGLE past project that the consultant believes is most similar to this project.
- 8) A list of three other projects with references.
- 9) A statement of the consultant's ability to complete the project within the prescribed timeframe.
- 10) A statement regarding the level of effort and degree of detail that can be provided in the project, given the proposed fee.
- 11) In a separate, sealed envelope, a cost proposal for providing the requested consultant services. The cost proposal shall be in the form of an "hourly, not to exceed fee". The cost proposal shall include a listing of hourly rates for each position within the consultant team and an estimate of staff hours for each task within the proposed work plan.

PROPOSAL SUBMITTAL

Six copies of the proposal (with only one cost envelope) shall be submitted to:

Rob Mattei
Director of Community Development
420 N. Pokegama Ave.
Grand Rapids, MN 55744

Proposals must be received by 4:00 p.m., March 31, 2022

Questions regarding the proposal process may be directed to Rob Mattei at (218) 326-7622 or at rmattei@ci.grand-rapids.mn.us

DRAFT





REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 10, 2022

STATEMENT OF ISSUE: Consider a concept and cost proposal from Eck Designs for Industrial Park Signage

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

ASV recently inquired about their ability to install off-premise signage near the roundabout on 10th Street S. Through their employee recruiting efforts thus far, they are discovering that some individuals are unaware of their presence in the community. With their proposed expansion and push to hire, they are exploring ways to expand their public image.

While individual off-premise signage, in industrial zoning, is not permitted, a governmental wayfinding sign, indicating the location of the industrial park and its occupants, is. Industrial Park signs are a topic that GREDA has briefly considered/discussed in the past, but did not follow through on.

Under the proposed concept, the individual businesses would purchase their sign panel and GREDA would own the sign. The design of the sign would have the added benefit of expanding GREDA's profile in the community and unused panels could be used to advertise vacant sites for sale by GREDA.

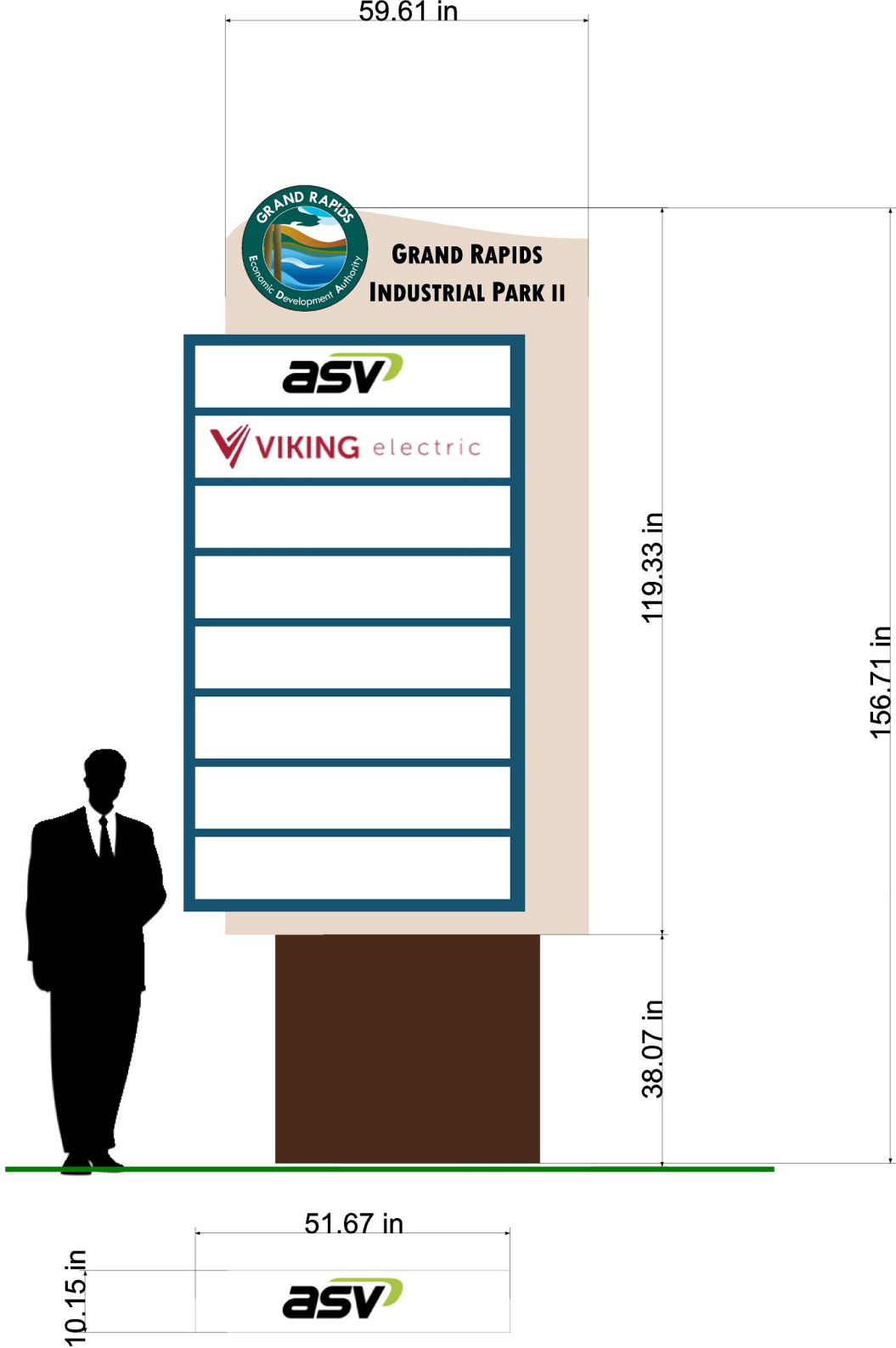
If GREDA would like to advance this project, the funds for the sign would come from the Capital Projects budget.

RECOMMENDATION:

Review, discuss and consider action.

REQUIRED ACTION:

If desired, approve a motion accepting the proposal from Eck Designs.



Item 7.





ESTIMATE Item 7.

Eck Designs, LLC
 P.O. Box 3
 200 Harriet Street
 Marble, Minnesota 55764
 United States

218-256-0387

BILL TO
City of Grand Rapids
 500 Southeast 4th Street
 Grand Rapids, Minnesota 55744
 United States

Estimate Number: 180

Estimate Date: February 22, 2022

Expires On: April 30, 2022

Grand Total (USD): \$25,730.00

Items	Quantity	Price	Amount
Aluminum Sign 5'X10' Vertical design business park sign, Steel frame, aluminum skin, with aluminum retainers for slide in tenant change.	2	\$6,200.00	\$12,400.00
Aluminum Sign 1'x52" tenant signs	32	\$115.00	\$3,680.00
Dimensional Sign Brown textured base	2	\$975.00	\$1,950.00
Installation Steel post, excavating, concrete, rebar, sonotube.	2	\$3,850.00	\$7,700.00

Total: \$25,730.00

Grand Total (USD): \$25,730.00



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 10, 2022

STATEMENT OF ISSUE: Discuss the Northland Foundation's Minnesota Main Street Revitalization Program application

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

Through some conversations since our last meeting, I became aware of an opportunity to include the Cambium Development project (VFW site) in a regional proposal, being submitted by the Northland Foundation, for funding offered through the Minnesota Main Street Economic Revitalization Program.

The Program, created by the State Legislature and Governor Walz in June of last year and administered by DEED, had a February 28 deadline for proposals. Program eligibility is limited to certain categories of non-profit corporations and Community Development Financial Institutions (CDFI), like the Northland Foundation.

A total of \$41million is available in this second round of funding for projects in defined commercial corridors and/or areas of commercial activity that have been impacted by conditions that have arisen since March of 2020. Through the Program, partner organizations like the Northland Foundation can offer grants of up to \$750,000/project or up to \$2,000,000 in guaranteed loans for building construction or renovation, landscaping, streetscaping, site work, design and infrastructure.

I prepared the attached narrative and was able to include the Cambium Development project in the Northland Foundations response.

Program awards will be announced by DEED this spring. If the Northland Foundation's proposal makes it through the first round a full application will follow and some prioritization of projects may be necessary at that time.

RECOMMENDATION:

REQUIRED ACTION: None required

Grand Rapids Cambium Redevelopment Project – Narrative

In March of 2020, a structure fire began at 20 NE 3rd St. Grand Rapids, a multi-tenant downtown commercial building owned by Ms. Sherry Rose of Grand Rapids. The Grand Rapids Fire Department responded and called on multiple surrounding communities to provide aid. The fire spread to the neighboring building at 13 NE 3rd St., the VFW Ponti Peterson Post. Both buildings suffered irreparable damage before the fire was brought under control.

The fire was investigated and cleared by the State Fire Marshal's Office and the Bureau of Alcohol, Tobacco and Firearms. Public safety concerns demanded an expedited demolition of both structures, which came at a time when a clear plan for redevelopment had not emerged. Initially, both owners expressed a desire to rebuild in their same location but a relocation to a turnkey location for the VFW, outside of the downtown, was chosen. It was financially infeasible for Ms. Rose to relocate or rebuild.



The Grand Rapids Economic Development Authority (GREDA) helped to secure a Commercial Redevelopment grant from the Minnesota Department of Iron Range Resources and Rehabilitation (IRRR) to raze the structures and clean the site.

Individually, the lots were prohibitively small, making new construction, especially a multi-level structure, impractical. Without public assistance, the likelihood these parcels would remain as a large void in the downtown 3rd Street N. corridor was very high, and if sold, the type of under-development expected would not maximize their potential to mitigate the negative impact caused to the downtown by this void. Faced with this prospect, GREDA purchased the adjacent lots, combined them and marketed them for sale as a single redevelopment site. By owning the site, GREDA has been able to hold it and be in a position to select and assist a future private redevelopment that would fit into the downtown landscape and serve as a catalyst for additional private investment in the downtown.

The City of Grand Rapids and GREDA have prioritized the redevelopment and sustainment of a viable downtown. The downtown fire, COVID 19 pandemic closures and the shift toward online consumerism have increased the challenge of achieving that outcome.

This challenge also comes at a time when the Grand Rapids/Itasca County area has met Federal economic distress criteria for several years. Itasca County's 24-month unemployment rate has been at least one percentage point higher than the national average for several years. The Census tract income in the project location as a percentage of AMI is 63.08 and the percentage of people in poverty is at 16.6 (2011-2015). Contributing to the severe distress is a trend that saw manufacturing employment in Itasca County, led by paper and forestry products, decreased by 51.9 percent between 2000 and 2019. After starting out the 21st century as the second largest employment sector in the County, manufacturing is now the sixth largest of the eleven industry sectors.

Some recent investments in the downtown, including the successful startup of Rapids Brewing Company have been a cause for renewed optimism and interest in the downtown. GREDA has also used their modest revolving low interest loan fund and a DEED Small Cities Development Program commercial redevelopment grant to stimulate additional investment in the downtown.

In September of 2021, GREDA received a proposal from 4A Management LLC, now Cambium Development LLC, for the purchase and redevelopment of the 0.14-acre GREDA shovel ready site (former VFW/Rose). Cambium is comprised of a local group of investors/business owners that are committed to affecting the community, specifically the downtown, in a positive way. The proposed Cambium Development will feature an approximately 40 room hotel, a 2,000 S.F. restaurant, and a dynamic inclusive community arts and entertainment venue that will accommodate attendance up to 150 people. The overall vision of the development features a strong artistic focus with a historic design to match the adjacent buildings.

The total estimated development cost of the Cambium Development is \$12,000,000. Included within that figure is an estimated construction cost of \$9,500,000. The development of this project carries with it added costs that are a challenge for downtown infill development, such as the higher cost of multi-level construction in a confined site, historic architectural elements to blend the development within the historic context of the downtown and the expense of an elevator for a small building footprint. Cambium intends to use local bank financing for approximately 75% of the development cost. The financing will be combined with investor equity, supplemented by City and potentially County tax abatement, and grant funding, to close the gap on the project and provide a modest market rate of return.

The businesses created through the Cambium Development will create approximately 24 new full time jobs and the construction of the project is estimated to create 30 temporary jobs.

Prior to the fire, the VFW and Rose properties had a combined estimated market value of \$301,400, which together, generated a total of \$9,224 in annual property tax revenue. Based upon a conservative estimate of a \$3,500,000 post development estimated market value, the project would generate the following estimated annual property tax revenue: $((\$3,500,000 \times 2\%) \times 169.748\%) = \$118,823$. This represents a net addition of approximately \$110,000 of annual property tax revenue.

The \$750,000 grant requested through the Minnesota Main Street Economic Revitalization Program for this project would ensure that the economic gap is filled, in combination with public assistance from the local tax abatements.

Grand Rapids Downtown Project Location



Proposed Cambium Development



Minnesota Main Street Economic Revitalization Program

If your organization is a property owner, business, or developer seeking funds for your specific project or facility you are not eligible to apply directly to the State for this program. Once partnership organizations are selected and programs established property owners, businesses and developers will have the opportunity to request assistance from partner organizations serving their community.

The Minnesota Department of Employment and Economic Development (DEED) will oversee the Main Street Economic Revitalization Program approved by the Minnesota State Legislature and signed by Gov. Tim Walz on June 29, 2021.

This program, through a Request for Proposals, will make grants to nonprofit partner organizations to fund 30% matching grants up to \$750,000 and guaranteed loans up to \$2,000,000 to eligible recipients for eligible projects that are designed to address the greatest economic development and redevelopment needs that have arisen in communities across Minnesota since March 15, 2020.

A total of \$41 million is available in this second round of funding for partner organizations. Request for proposals (RFPs) opens at 3:00 p.m. on January 27, 2022; proposals are due by 4:00 p.m. on February 28, 2022.

Main Street Revitalization Program Partner Organizations will be publicly announced in spring of 2022. Each partner organization will be responsible for conducting outreach and soliciting request for assistance from property owners, businesses and developers.

Eligibility

The following types of organizations are eligible to submit a proposal for grant funding as a partner organization:

- Foundations engaged in economic development
- Community development financial institutions
- Nonprofit organizations engaged in housing and commercial development

Organizations seeking to serve as a partner organization must demonstrate in their proposal they have raised funds for the specific purposes of this program or will do so within 15 months of being awarded grant funds. Existing assets and state or federal funds may not be used to meet this requirement.

Partner organizations cannot receive financial assistance from this program for facilities or properties they own or lease. Partner organizations must establish a process of ensuring there are no conflicts of interest in determining awards under the program.

Local governments cannot receive funding from this program.

Project Service Areas

In the proposals, partner organizations will define a service area that includes one or more commercial corridors and/or areas of concentrated commercial activity that have been impacted by conditions that have arisen in the area since March 2020. Proposals will demonstrate how these conditions have resulted in the need for these funds to spur investment and increase commercial activity within those identified commercial corridors.

Specific qualifying conditions may include but are not limited to:

- Widespread arson and civil unrest
- Natural disasters
- Major plant closures, significant commercial vacancy increases, and/or loss of economic anchor institutions
- COVID-19 pandemic impacts on travel, tourism, retail and accommodation

Eligible Uses

Partner organizations receiving grant funds from this program can use the funds to establish a program within one or more commercial corridors to provide assistance to eligible recipient and projects within a defined service area.

Partner organizations can offer grants up to \$750,000 per project or up to \$2,000,000 in guaranteed loans. Leveraged grants can cover up to 30% project cost. Guaranteed loans will be guaranteed by the state up to 80% of the value of the loan.

Leverage grants and guaranteed loans can be used eligible recipients for the following:

- Repair, or renovation of real property
- Building construction
- Landscaping and streetscaping
- Demolition and site preparation
- Predesign and design
- Engineering
- Infrastructure
- Related site amenities

Eligible project expenses do not include the purchase of real estate or business operations or business operating expenses, such as inventory, wages, or working capital.

Terms

Partner organizations must demonstrate they have raised funds for the specific purposes of this program or will do so within the 15-month period following the awarding of grant funds. Existing assets and state or federal funds may not be used to meet this requirement.

An eligible project must have secured commitments for all required matching funds and all required development approvals before a leveraged grant or proceeds from a guaranteed loan may be distributed.

No grants or loans may be made after December 31, 2024. All funded projects must be completed by December 31, 2026.

Up to 4% of a grant made to a partner organization may be used by the partner organization for administration and monitoring of their program.

Leveraged grants

- Leveraged grants can cover up to 30% of an eligible project cost up to \$750,000 in state grant funds.
- Grants must be matched with non-state funds at 200% of the state's portion of the grant.
- Matching funds may include but are not limited to funds contributed by a partner organization and insurance proceeds from an eligible recipient.
- Matching funds cannot include state or federal funds.
- Matching funds sourced from other assets and sources must be restricted for use exclusively through this program.
- An eligible project must have secured commitments for all required matching funds and all required development approvals before a leveraged grant may be distributed.

Loan Guarantees

- Partner organization can offer up to \$2 million loans per project guaranteed by the state, up to 80% of the value of the loan.
- Loan capital is sourced from other non-state or non-federal sources.
- Loan guarantees are for a maximum period of 15 years from the origination of the loan.
- DEED will use program funds to reserve a minimum of 10% of the loan amount in the Loan Guarantee Trust Fund to pay out defaulted loans.
- The guaranteed portion of the loan may be subordinate to other loans made by lenders in the overall financing package.
- An eligible project must have all required development approvals before a guaranteed loan may be distributed.

Request for Proposals

The request for proposals (RFP) is published on our [Grants and Contracts page](#) ([/deed/about/contracts/open-rfp.jsp](#)). Proposals, including all required attachments, are due by 4:00 p.m. on Monday, February 28, 2022. Late proposals will not be accepted.

Proposal must be sent via email to MSERP.DEED@state.mn.us (<mailto:MSERP.DEED@state.mn.us>) in a single PDF file not to exceed 25MB in file size. Please avoid using a large number of images files and photos in the proposal document.

The subject of the email line should be "MSERP – [Organization Name] – [Proposed Service Area]".



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 10, 2022

STATEMENT OF ISSUE: Outcome of discussions with the Blandin Foundation relative to low interest financing options for the development of an industrial building.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

As you will recall from our previous study and discussions of the unmet market demand for industrial and warehouse/distribution space and the development cost for this type of facility, we concluded that market rate rents in our community could not support the development cost assuming conventional market rate financing is used.

President Blake and I presented this information along with a verbal proposal/request to the Blandin Foundation seeking a Program Related Investment, which would allow GREDA an opportunity to provide a loan to a private developer at 1% interest who would build a 30,000 sf industrial building in the Airport South Industrial Park. The building would provide immediate space for Minnesota Flexible to relocate from their space in the IEDC building, which is planned to be converted to another use, and would have speculative space for new business. The request to the Foundation was not for the full amount of the required financing, rather it was framed as if the Blandin Foundation was supportive, we would look to the IRRR for participation as well.

As you can see from the message below, their response was not what we had hoped:

Hello Rob and Sholom,

Thank you for your time on January 11th and follow up conversations regarding the GR Industrial Building request. The Request was reviewed by me, in consultation with colleagues and a trustee, under the Directed Investments – Tier 2 category within our Mission Related Investment Policies. Those Policies are available on our website as an addendum to the Investment Policy Statement: [2021-Blandin-Foundation-IPS.pdf \(blandinfoundation.org\)](#)

Given the need for financial risk/return objectives that align with near market-rate opportunities, our decision is not to invest in the GR Industrial Building as requested. The prudent investor standard would not be met if we invested 6.5% of our investment assets at 1% over a 20-year period, especially given the current market outlook over the next ten years. Therefore, the financial return objectives would not be met if we funded this request.

A request for consideration as a Program-Related Investment to be reviewed by the Grants team is not a workable one this year. As I shared on our call, PRIs are treated the same as a grant for budgetary purposes and a \$3.35 million grant would be 22.5% of the total grants budget for 2022. Our grantmaking strategies and other commitments leave out this avenue as a possibility. Historically, we made sizable investments beyond the grants budget for extraordinary mission-related opportunities, though an industrial building is not on par with a hospital or land easements.

We appreciate the work of GREDA and look forward to future discussions on how we may partner to support the furtherance of community plans.

Best,
Daniel

Daniel Lemm, CMA, MNM

Pronouns: He/Him/His

Chief Financial Officer

Blandin Foundation

100 N. Pokegama Ave., Grand Rapids MN 55744

RECOMMENDATION:

Discuss and consider any follow up work.

REQUIRED ACTION: None required