



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

**Thursday, September 28, 2023  
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, September 28, 2023 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 minutes from the September 14, 2023 regular meeting.

APPROVE CLAIMS

- [2.](#) Consider approving claims in the amount of \$19,820.45.

PUBLIC HEARING

- [3.](#) Conduct a public hearing to consider the sale of land and a business subsidy to SE 7<sup>th</sup> Ave. Distribution, LLC.
- [4.](#) Conduct a public hearing to consider approval of a Purchase and Development Agreement with and conveyance of property to Itasca County Habitat for Humanity.

BUSINESS

- [5.](#) Consider approval of a Commercial Building Improvement Loan with Kreklow Enterprises for improvements to the Kreklow Dental Clinic at 510 NW 2nd Ave.
- [6.](#) Consider approval of a Downtown Mandated Building Improvement Loan with Kreklow Enterprises for improvements to the Kreklow Dental Clinic at 510 NW 2nd Ave.

UPDATES

ADJOURN

## MEMBERS & TERMS

Tom Sutherland - 12/31/2023 Council Representative  
Tasha Connelly - 12/31/2023 Council Representative  
Mike Korte - 3/1/24

Wayne Bruns - 3/1/25  
Sholom Blake - 3/1/25  
Al Hodnik - 3/1/27  
Bill Martinetto - 3/1/27



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

**Thursday, September 14, 2023  
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, September 14, 2023 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik  
President Sholom Blake  
Commissioner Tasha Connelly  
Commissioner Wayne Bruns

ABSENT

Commissioner Mike Korte  
Commissioner Tom Sutherland  
Commissioner Bill Martinetto

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 minutes from the August 24th, 2023 regular meeting.

Motion by Commissioner Connelly, second by Commissioner Hodnik to approve the August 24, 2023 regular minutes. The following voted in favor thereof: Hodnik, Bruns, Connelly, Blake. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$175,169.51.

Motion by Commissioner Hodnik, second by Commissioner Bruns to approve claims in the amount of \$175,169.51. The following voted in favor thereof: Blake, Connelly, Bruns, Hodnik. Opposed: None, motion passed unanimously.

BUSINESS

3. Consider adopting a resolution supporting the modification of the development program for Municipal Development District No. 1; the creation of Tax Increment Financing District No. 1-14 L&M Supply within Municipal Development District No. 1; and Tax Increment Financing Plan therefor

Commissioner Sutherland joined the meeting a 4:04 p.m.

Community Development Director Mattei provided a power point presentation with information on the project.

Motion by Commissioner Hodnik, second by Commissioner Sutherland to adopt a resolution supporting the modification of the development program for Municipal Development District No. 1; the creation of Tax Increment Financing District No. 1-14 L&M Supply within Municipal Development District No.1; and Tax Increment Financing Plan therefor. The following voted in favor thereof: Hodnik, Bruns, Connelly, Blake, Sutherland. Opposed: None, motion passed unanimously.

## UPDATES

Pluemers Building- The developer will be meeting with IRRRB staff to review the project.

Oppidan- They would like to apply for an IRRRB grant to help with pre-development expenses.

Downtown Plan Implementation- Community Development Director Mattei has applied for a grant to help fund the implementation.

## ADJOURN

There being no further business the meeting adjourned at 4:25 p.m.

## MEMBERS & TERMS

Tom Sutherland - 12/31/2023 Council Representative

Tasha Connelly - 12/31/2023 Council Representative

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27

Bill Martinetto – 3/1/27

DATE: 09/22/2023  
 TIME: 12:02:31  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 09/28/2023

VENDOR #	NAME	AMOUNT DUE
-----		
ECONOMIC DEVELOPMENT AUTHORITY		
2018225	TREASURE BAY PRINTING	19.50
	TOTAL	19.50
EDA - CAPITAL PROJECTS		
AIRPORT SOUTH INDUSTRIAL PARKS		
0221650	BURGGRAF'S ACE HARDWARE	189.89
1201730	LATVALA LUMBER COMPANY INC.	1,002.26
T001488	NAGELL APPRAISAL & CONSULTING	4,000.00
T001489	DAY GROUP, LLC	1,700.00
	TOTAL AIRPORT SOUTH INDUSTRIAL PARKS	6,892.15
DWNTOWN PLAN PJT-BLANDIN GRNT		
1900650	SRF CONSULTING GROUP INC	6,949.36
	TOTAL DWNTOWN PLAN PJT-BLANDIN GRNT	6,949.36
GREAT RIVER ACRES DEV		
0508450	EHLERS AND ASSOCIATES INC	265.00
	TOTAL GREAT RIVER ACRES DEV	265.00
L&M DISTRIBUTION CENTER		
0718060	GRAND RAPIDS HERALD REVIEW	143.50
T001488	NAGELL APPRAISAL & CONSULTING	3,000.00
T001489	DAY GROUP, LLC	2,400.00
	TOTAL L&M DISTRIBUTION CENTER	5,543.50
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$19,669.51
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920055	ITASCA COUNTY RECORDER	23.00
1621130	P.U.C.	127.94
	TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:	\$150.94
	TOTAL ALL DEPARTMENTS	\$19,820.45



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** September 28, 2023

**STATEMENT OF ISSUE:** Conduct a public hearing to consider the sale of land and a business subsidy to SE 7<sup>th</sup> Ave. Distribution, LLC.

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

Staff will present the attached PowerPoint presentation as background for this public hearing.

### **RECOMMENDATION:**

Conduct a public hearing to consider the sale of land and a business subsidy to SE 7<sup>th</sup> Ave. Distribution, LLC.

### **Public Hearing protocol:**

- State the purpose of the public hearing.
- Verify that legal notice of the public hearing has been made.
- Staff will present the background.
- Entertain a motion to open the public hearing.
- Request public input on the proposed agreement either in favor, or in opposition, and ask that any person from the public wishing to make a statement state their name and address for the record.
- After public input is received, entertain a motion to close the public hearing portion.

Close the public hearing.

**REQUIRED ACTION:** Conduct a public hearing to consider the sale of land and a business subsidy to SE 7<sup>th</sup> Ave. Distribution, LLC.



# Public Hearing

## Proposed Land Sale and Business Subsidy SE 7<sup>th</sup> Avenue Distribution, LLC



**September 28, 2023**



# Project Background

- **L&M Fleet Supply, the City and GREDA have been working together toward the establishment a new 210,000 square foot, state of the art distribution center for L&M Fleet Supply.**
- **SE 7<sup>th</sup> Ave. Distribution, LLC (Developer), a Minnesota limited liability company related to L&M Supply Inc., filed an application for Business Assistance requesting Tax Increment Financing (TIF) and a City tax abatement. The City Council will be giving final consideration to this request on September 25.**
- **Consistent with the proposal submitted to the Developer, GREDA pursued and obtained purchase agreements with three private landowners controlling 42 acres of the proposed 46-acre site, with the remaining 4.3 acres to be purchased by GREDA from the Airport.**
- **Also consistent with the proposal, GREDA intends to discount the cost of these parcels in a sale of the land to the Developer. This discount, or land write down, does amount to a business subsidy, as it is defined under State statute.**





# Project Background





# Project Background





# Project Background

## Project Timeline

Timeline	Description
5/2024	Start of Construction
8/2024	Purchase Equipment
12/2024	Complete Construction
3/2025	Begin Operations



# Project Background

**Employment** – The L&M Distribution Center Project will retain the 66 FTE positions currently employed in the existing distribution facility in LaPrairie. In addition, the project will create the following 31 full-time positions within the first two years of operation:

Positions	# of Positions	Hourly Cash Wage w/out Benefits	Hourly Value of Benefits	Total Hourly Compensation
DC General Manager	1	\$45.00	\$26.00	\$71.00
DC Supervisor	4	\$22.00	\$15.00	\$37.00
Specialized Equipment Operators	6	\$19.00	\$14.00	\$33.00
General Pallet Movers	4	\$19.00	\$14.00	\$33.00
Warehouse Workers	10	\$18.00	\$14.00	\$32.00
DC Admin	3	\$18.00	\$14.00	\$32.00
WMS Supervisor	1	\$22.00	\$15.00	\$37.00
Human Resources Lead	1	\$25.00	\$16.00	\$41.00
Director	1	\$60.00	\$28.00	\$88.00
<b>Average:</b>		<b>\$21.55</b>	<b>\$15.06</b>	<b>\$36.61</b>





## ■ 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 or secured, to date)

Expense Description	MN IRRR	MN DEED/GRED A	Equity	Bank	City	Itasca County	Total
Property Acquisition		486,500	121,600	364,900			973,000
Site Work Construction			1,189,600	3,568,800			4,758,400
Building Construction			2,632,700	24,856,400	4,251,800	1,401,100	33,141,800
Purchase of M&E	2,500,000	2,000,000		10,452,000			14,952,000
FFE and Software			537,500	1,612,500			2,150,000
<b>Total Project Cost</b>	<b>\$2,500,000</b>	<b>\$2,486,500</b>	<b>\$4,517,400</b>	<b>\$40,854,600</b>	<b>4,251,800</b>	<b>1,401,100</b>	<b>\$56,001,400</b>

- In addition, MN DEED has proposed the Job Creation Fund program which would provide rebates to L&M for building construction expenses and per job created. The estimate value of the job creation rebates is \$850,000 over 7 years.



# Project Background

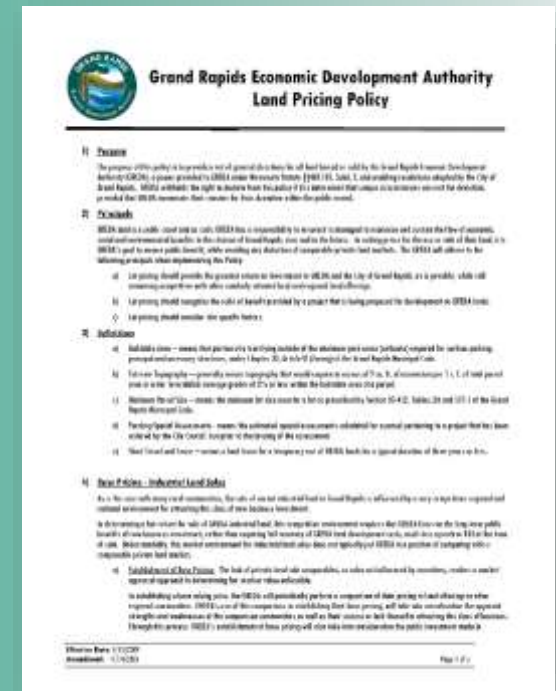
## Current and Future Assessed Value Estimate:

	Current (Itasca County Assessor)	Future (Itasca County Assessor)
Land Value (47 acres)	\$464,600	\$1,367,600
Building Value	\$203,300	\$16,609,400
Total Value	\$667,900	\$17,977,000
Annual Property Taxes (Pay 2023 Rate)	\$8,510	\$729,942



# GREDA Land Pricing Policy

- The adopted *Grand Rapids Economic Development Authority Land Pricing Policy* provides a set of directions for all property leased or sold by GREDA.
- The Policy allows GREDA to recognize the scale of benefit to be provided to the community by a project proposed for development on GREDA property. The scale of benefit is measured in multiple areas, including:
  - Ratio of public to private investment, job creation, wage level of jobs to be created, the amount of private investment and building construction, likelihood the project will spur additional unsubsidized spin-off development and the extent to which the project.
- The result of the evaluation of these criteria for the proposed L&M Supply Distribution Center project, qualifies for a reduction in price or write down, under Section 6b of the Policy, of 50%.





# GREDA Land Pricing Policy

**GREDA contracted with the Wellson Group to engage the private landowners and negotiate the purchase of their property. Those purchase agreements were approved by GREDA at the August 10 meeting. (The purchase of the property from the Airport will be covered under a separate purchase agreement pending FAA approval. The appraised value of the 4.3-acre portion of the Airport parcel is shown below.**

Parcel No.	Owner	Purchase Price
91-033-1410	Moyer	\$275,000
91-033-1430	Karpen	\$410,000
91-033-4120	Mimar Development, LLC	\$288,010
91-033-1406 (split)	City (Airport)	\$58,000
		<b>\$1,031,010</b>

**The amount of the proposed land write down discount (business subsidy) will range between \$717,160 and \$515,505, depending upon whether the 50% discount is applied to the actual purchase price or the County assessed value ( \$627,700) is used as the base price.**





# Public Hearing

**Minnesota state statute requires that the Grand Rapids Economic Development Authority hold a public hearing to both consider the sale of land and to consider granting a business subsidy.**

**Actions to be considered at a future date in the near term will be approval of:**

- 1. A Development Assistance Agreement between the City, SE 7<sup>th</sup> Avenue Distribution, LLC and GREDA; and**
- 2. Purchase Agreements between GREDA and SE 7<sup>th</sup> Ave. Distribution, LLC for the three parcels being purchased by GREDA from the private landowners and for the City (Airport) parcel.**



# Questions?



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** September 28, 2023

**STATEMENT OF ISSUE:** Conduct a public hearing to consider approval of a Purchase and Development Agreement with and conveyance of property to Itasca County Habitat for Humanity.

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

Previously, GREDA accepted a Letter of Intent from the Itasca County Habitat for Humanity for the purchase of two parcels in the GREDA residential plat of Forest Lake Addition. The offer within the LOI was to purchase each lot for the price of \$6,300, for a total of \$12,600.

The price offered by Habitat matches the per lot price within the GREDA resolution of support for the sale and development of 8 additional single-family homes by the Itasca County HRA. This price was established by dividing the assigned value of the entire site of the former elementary school by 22 lots within the plat.

Habitat will be working with Logam Homes, the HRA contractor, to construct the shell of one two-bedroom home and one 3-bedroom home. Habitat will finish the interior and exterior of the homes. These homes will have the same floor plan as the homes currently being built by Logam for the HRA.

The economic benefit of this project is to provide much-needed housing to accommodate our current and expanding workforce and to create additional tax base in the City.

### **RECOMMENDATION:**

Conduct a Public Hearing to consider entering into a purchase and development agreement between GREDA and Itasca County Habitat for Humanity.

### **Public Hearing protocol:**

- State the purpose of the public hearing.
- Verify that legal notice of the public hearing has been made.
- Staff will present the background.

- Entertain a motion to open the public hearing.
- Request public input on the proposed agreement either in favor, or in opposition, and ask that any person from the public wishing to make a statement state their name and address for the record.
- After public input is received, entertain a motion to close the public hearing portion.
- Close the public hearing, give final consideration to the agreement, and entertain any motion to amend the terms, or motions to approve or disapprove of the agreement in its original or amended form.

**REQUIRED ACTION:** If GREDA finds it advisable to enter into the attached agreement, they should pass a motion adopting the attached resolution approving the purchase and development contract with and conveyance of property to Itasca County Habitat for Humanity.

## **PURCHASE AND DEVELOPMENT AGREEMENT**

**Between**

**Grand Rapids Economic Development Authority**

**And**

**Itasca County Habitat for Humanity Affiliate**

This document drafted by:  
Kennedy & Graven, Chartered  
Fifth Street Towers  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

## PURCHASE AND DEVELOPMENT AGREEMENT

1. **Parties.** This Purchase and Development Agreement (“this Agreement”) is made on the \_\_\_\_\_ of \_\_\_\_\_, 2023 between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota, having its office located at 420 North Pokegama Avenue, Grand Rapids, Minnesota 55744 (“Seller”), and the Itasca County Habitat for Humanity Affiliate, a nonprofit corporation under the laws of Minnesota, having its principal office at 510 SE 11<sup>th</sup> Street, Grand Rapids, Minnesota 55744 (“Buyer”).
  
2. **Offer/Acceptance.** Buyer offers to purchase, and Seller agrees to sell the real property located at 723 NW 7<sup>th</sup> Avenue and 713 NW 7<sup>th</sup> Avenue in the City of Grand Rapids, legally described as:  
  
 Lot 3, Block 2, Forest Lake Addition, according to the recorded plat thereof, County of Itasca, State of Minnesota  
  
 AND  
  
 Lot 4, Block 2, Forest Lake Addition, according to the recorded plat thereof, County of Itasca, State of Minnesota  
  
 (each parcel a “Lot” and collectively, the “Property”).
  
3. **Development and Improvement.** Buyer is purchasing the Property for the purpose of developing a single-family residential home on each Lot.
  
4. **Price and Terms. Purchase Price.** The purchase price of each Lot shall be \$6,300 (SIX-THOUSAND THREE HUNDRED and 00/100 dollars), for a total purchase price of \$12,600 (TWELVE THOUSAND SIX HUNDRED and 00/100 dollars) for the Property (the “Purchase Price”). The Purchase Price shall be payable to Seller by Buyer by wire transfer or certified check on the Closing Date.
  
5. **Personal Property Included in Sale.** There are no items of personal property or fixtures owned by Seller currently located on the Property for purposes of this sale.
  
6. **Closing/ Payment of Closing Costs and Related Items.** The closing hereunder (the “Closing”) shall take place no later than October 13, 2023, or such other date as agreed upon by the parties (the “Closing Date”). Buyer will pay: (a) the closing fees charged by the title insurance or other closing agent utilized to close the transaction contemplated by this Agreement (the “Title Company”); (b) fees for title evidence obtained by Buyer; (c) the premium for any policy of title insurance Buyer elects to purchase and the cost of any endorsements; and (d) the recording fees for the Purchase and Development Agreement and the Deed. Seller will pay: (a) any transfer taxes required to enable Buyer to record the Deed, and (b) fees and charges related to the filing of any instrument required to make title marketable. Each party shall pay its own attorneys’ fees.

**7. Real Estate Taxes and Special Assessments.**

- A. Seller shall pay, at or before Closing all real estate taxes due and payable in all years prior to the year of Closing, if any. Real estate taxes due and payable in the year of Closing, if any, shall be pro-rated to Seller and Buyer based on the Closing Date.
- B. On or prior to the Closing Date, Seller shall pay all special assessments levied or pending against the Property as of the Closing Date. The provisions of this Paragraph shall survive Closing.

**8. Seller Closing Documents.** Upon performance by Buyer, Seller shall deliver the following to Buyer at the Closing:

- A. A quit claim deed conveying title to the Property to Buyer, in substantially the form attached hereto as Exhibit A (the "Deed"), subject to the conditions subsequent required by Sections 14, 15, and 16 of this Agreement;
- B. An affidavit satisfactory to Buyer that at Closing there are no outstanding, unsatisfied judgments, tax liens, or bankruptcies against Seller, no labor, services, materials, or machinery furnished to the Property for which mechanics' liens could be filed, and no unrecorded interests in the Property which have not been fully disclosed to Buyer;
- C. A signed resolution of Seller authorizing and approving the transaction contemplated by this Agreement; and
- D. Any other items required by this Agreement or reasonably required by the Title Company.

**9. Buyer Closing Documents.** Buyer will deliver to Seller at Closing:

- A. The Purchase Price;
- B. A signed resolution of Buyer authorizing and approving the transaction contemplated by this Agreement; and
- C. Any other items required by this Agreement or reasonably required by the Title Company.

**10. "AS IS, WHERE IS."** Except as set forth in this Agreement, Seller makes no warranties as to the condition of the Property. Buyer acknowledges that it has inspected or has had the opportunity to inspect the Property and agrees to accept the Property "AS IS" with no right of set off or reduction in the Purchase Price. Such sale shall be without representation or warranties, express or implied, either oral or written, made by Seller or any official, employee or agent of Seller or the City of Grand Rapids, Minnesota (the "City") with

respect to the physical condition of the Property, including but not limited to, the existence or absence of petroleum, hazardous substances, pollutants or contaminants in, on, or under, or affecting the Property or with respect to the compliance of the Property or its operation with any laws, ordinances, or regulations of any government or other body, except as stated above. Buyer acknowledges and agrees that Seller has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties Seller hereby expressly disclaims, except as stated in this Agreement. Buyer is relying entirely upon information and knowledge obtained from Buyer's own investigation, experience and knowledge obtained from Buyer's own investigation, experience, or personal inspection of the Property. Buyer expressly assumes, at closing, all environmental and other liabilities with respect to the Property and releases and indemnifies Seller and the City from same, whether such liability is imposed by statute or derived from common law including, but not limited to, liabilities arising under the Comprehensive Environmental Response, Compensation and Liability Act ("CERCLA"), the Hazardous and Solid Waste Amendments Act, the Resource Conservation and Recovery Act ("RCRA"), the federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Act, the Superfund Amendments and Reauthorization Act, the Toxic Substances Control Act and the Hazardous Materials Transportation Act, all as amended, and all other comparable federal, state or local environmental conservation or protection laws, rules or regulations. The foregoing assumption and release shall survive Closing. All statements of fact or disclosures, if any, made in this Agreement or in connection with this Agreement, do not constitute warranties or representations of any nature. The foregoing provision shall survive Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing.

11. **Marketability of Title.** As soon as reasonably practicable after the execution of this Agreement by both parties, Buyer shall obtain the title evidence determined necessary or desirable by Buyer (the "Title Commitment"). Buyer, at its sole option, may have a survey of the Property prepared, certified, and delivered to Buyer, Seller, the Title Company, and such other parties as Buyer requests showing the location of all easements and conforming to the current standard detail requirements established by the American Land Title Association and the National Society for Professional Surveyors (the "Survey"). The cost of the Survey, if any, will be paid for by Buyer. Buyer shall have 10 days from the date it receives the Title Commitment and any Survey to raise any written objections to title (the "Objections"). Objections not made within such time will be deemed waived. Seller may effect a cure satisfactory to Buyer or may give written notice to Buyer that Seller elects not to cure. Buyer may then elect to close notwithstanding the uncured Objections, or may declare this Agreement null and void and the parties will thereby be released from any further obligation hereunder, and neither party shall be liable for damages hereunder and Buyer and Seller agree to sign a cancellation of this Agreement.
12. **Seller Warranties and Representations.** Seller warrants and represents to Buyer that:



- A. To Seller's best knowledge, there are no wells, either in use, not in use, or sealed located on the Property.
- B. Seller has no knowledge of any individual sewage treatment system on or serving the Property.
- C. Seller is not aware of any methamphetamine production that has occurred on the Property;
- D. To the actual knowledge of Rob Mattei without investigation or inquiry, Seller knows of no flood plains, shorelands or wetlands affecting the Property;
- E. To the actual knowledge of Rob Mattei without investigation or inquiry, the Property is not subject to the rights of tenants or other parties in possession;
- F. To the actual knowledge of Rob Mattei without investigation or inquiry, Seller has not received any notice and is not aware of a violation of any building codes, fire codes, health codes, zoning codes, environmental laws, or other laws and regulations affecting the Property or the use thereof;
- G. To the actual knowledge of Rob Mattei without investigation or inquiry, Seller has not received any notice of a condemnation, environmental, zoning, or other regulation or proceeding;
- H. Seller is a public body corporate and politic under the laws of Minnesota duly organized, validly existing and in good standing under the laws of the State of Minnesota and has all requisite power and authority to carry out its business as conducted, to execute and deliver this Agreement and the documents entered into pursuant hereto, and to carry out its obligations under this Agreement and such documents;
- I. This Agreement has been duly authorized, executed and delivered on behalf of Seller and constitutes the valid and binding agreement of Seller, enforceable in accordance with its terms;
- J. To the actual knowledge of Rob Mattei without investigation or inquiry, the execution, delivery, and performance of this Agreement by Seller will not result in a breach or violation of Seller or constitute a default by Seller under any agreement, instrument or order to which Seller is a party or by which Seller is bound; and
- K. To the actual knowledge of Rob Mattei without investigation or inquiry, Seller is not aware of any action, proceeding or investigation pending or threatened which might materially adversely affect the Property or the ability of Seller to perform its obligations under this Agreement.

**13. Buyer Warranties and Representations.** Buyer warrants and represents to Seller that:

- A. Buyer is a nonprofit corporation under the laws of Minnesota duly organized, validly existing and in good standing under the laws of the State of Minnesota and has all requisite power and authority to carry out its business as conducted, to execute and deliver this Agreement and the documents entered into pursuant hereto, and to carry out its obligations under this Agreement and such documents;
  - B. This Agreement has been duly authorized, executed and delivered on behalf of Buyer and constitutes the valid and binding agreement of Buyer, enforceable in accordance with its terms;
  - C. The execution, delivery and performance of this Agreement by Buyer will not result in a breach or violation of Buyer or constitute a default by Buyer under any agreement, instrument or order to which Buyer is a party or by which Buyer is bound; and
  - D. Buyer is not aware of any action, proceeding or investigation pending or threatened which might materially adversely affect the ability of Buyer to perform its obligations under this Agreement.
- 14. Construction.** Buyer agrees that it will construct a new single-family dwelling on each Lot. **This covenant shall survive the delivery of the Deed.**
- A. The single-family dwelling to be constructed on each Lot as described in this Section and Section 3 is referred to as the “Minimum Improvements.”
  - B. The Minimum Improvements shall consist of the construction of a new two-bedroom one-story single-family dwelling on one Lot and the construction of a new three-bedroom two story single family dwelling on the other Lot. Each such single-family dwelling shall be constructed and occupied in accordance with Buyer’s affordable housing program.
  - C. Buyer must commence construction of the Minimum Improvements on each Lot within one year of the Closing Date and substantially complete the construction of the Minimum Improvements by June 15, 2024. Substantial completion shall be evidenced by the delivery of a certificate of occupancy from the City. Buyer will obtain, at Buyer’s expense, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, State, and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully completed.
  - D. Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of Buyer to construct such Minimum Improvements (including the date for completion thereof), upon written request from Buyer, Seller will deliver to Buyer a Certificate of Completion, in substantially the form attached hereto as Exhibit B.

Such certification by Seller shall be (and it shall be so provided in the Deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the Deed with respect to the obligations of Buyer and its successors and assigns, to construct the Minimum Improvements and the dates for completion thereof.

The certificate provided for in this Section shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other instruments pertaining to the Property. If Seller shall refuse or fail to provide any certification in accordance with the provisions of this Section, Seller shall, within 30 days after written request by Buyer, provide Buyer with a written statement, indicating in adequate detail in what respects Buyer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of Seller for Buyer to take or perform in order to obtain such certification.

E. Buyer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements:

(1) Except for any agreement for sale of the dwelling unit on each of the Lots to an owner-occupant, Buyer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of Seller's Board of Commissioners. The term "Transfer" does not include encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable Buyer to construct the Improvements or component thereof.

(2) If Buyer seeks to effect a Transfer prior to issuance of the Certificate of Completion, Seller shall be entitled to require as conditions to such Transfer that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, solely in the reasonable judgment of Seller, necessary and adequate to fulfill the obligations undertaken in this Agreement by Buyer as to the portion of the Property to be transferred; and

(ii) Any proposed transferee, by instrument in writing satisfactory to Seller and in form recordable in the public land records of Itasca County, Minnesota, shall, for itself and its successors and assigns, and expressly for the benefit of Seller, have expressly assumed all of the obligations of Buyer under this Agreement as to the portion of the Property to be transferred and agreed to be subject to all the conditions and restrictions to which Buyer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest

whatsoever to, the Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by Seller) deprive Seller of any rights or remedies or controls with respect to the Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit Seller of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Property that Seller would have had, had there been no such transfer or change. In the absence of specific written agreement by Seller to the contrary, no such transfer or approval by Seller thereof shall be deemed to relieve Buyer, or any other party bound in any way by this Agreement or otherwise with respect to the Property, from any of its obligations with respect thereto; and

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Property governed by this subsection E. shall be in a form reasonably satisfactory to Seller.

(3) If the conditions described above in paragraph (2) of this Section are satisfied, then the Transfer will be approved and Buyer shall be released from its obligations under this Agreement with respect to the portion of the Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (3) apply to all subsequent transferors; and

(4) Upon issuance of the Certificate of Completion, Buyer may transfer or assign the Minimum Improvements and/or Buyer's rights and obligations under this Agreement with respect to such property without the prior written consent of Seller.

F. Buyer, and its successors and assigns, agrees that it will use the Minimum Improvements only as part of its affordable housing program whereby it will construct a single-family dwelling on each Lot that will be sold to an owner-occupant. **The covenants in this paragraph run with the land, survive both delivery of the Deed and issuance of the Certificate of Completion for the Minimum Improvements, and shall remain in effect for five years after the date of the Deed.**

**15. Revesting Title in Seller upon Happening of Event Subsequent to Conveyance to Buyer.** In the event that subsequent to conveyance of the Property or any part thereof to Buyer and prior to receipt by Buyer of the Certificate of Completion for of the Minimum Improvements, Buyer, subject to Unavoidable Delays (as hereafter defined), fails to carry out its obligations

with respect to the construction of the Minimum Improvements (including the nature and the date for the commencement and completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within 30 days after written demand from Seller to Buyer to do so, then Seller shall have the right to re-enter and take possession of the Property and to terminate (and re-vest in Seller) the estate conveyed by the Deed to Buyer, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the Property to Buyer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of Buyer and failure on the part of Buyer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, Seller at its option may declare a termination in favor of Seller of the title, and of all the rights and interests in and to the Property conveyed to Buyer, and that such title and all rights and interests of Buyer, and any assigns or successors in interest to and in Lot or the Property, shall revert to Seller, but only if the events stated in this Section have not been cured within the time periods provided above.

For the purposes of this Agreement, the term "Unavoidable Delays" means delays beyond the reasonable control of Buyer as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than Seller in exercising its rights under this Agreement) which directly results in delays. Unavoidable Delays shall not include delays in Buyer's obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under this Section of this Agreement.

**16. Resale of Reacquired Property; Disposition of Proceeds.** Upon the re-vesting in Seller of title to and/or possession of the Property or any part thereof as provided in Section 15 of this Agreement, Seller shall apply the Purchase Price paid by Buyer under Section 4 of this Agreement as follows:

- (a) First, to reimburse Seller for all costs and expenses incurred by Seller, including but not limited to proportionate salaries of personnel, in connection with the recapture, management, and resale of the Property (but less any income derived by Seller from the Property in connection with such management); all taxes, assessments, and water and sewer charges with respect to the Property; any payments made or necessary to be made to discharge any encumbrances or liens existing on the Property thereof at the time of re-vesting of title thereto in Seller or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Buyer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the Minimum Improvements or any part thereof on the Property or part thereof; and any amounts otherwise owing Seller by Buyer and its successor or transferee; and

- (b) Second, to reimburse Buyer for the balance of the Purchase Price remaining after the reimbursements specified in Paragraph (a) above. Such reimbursement shall be paid to Buyer upon delivery of an executed, recordable quit claim deed to the Property by Buyer to Seller.

17. **Time is of the essence for all provisions of this Agreement.**
18. **Notices.** All notices required herein shall be in writing and delivered personally or mailed to the address shown at Section 1 of this Agreement and, if mailed, are effective as of the date of mailing. Each party may update their address for purposes of notice in accordance with the provisions of this Section.
19. **Minnesota Law.** This Agreement shall be governed by the laws of the State of Minnesota.
20. **No Broker Involved.** Seller and Buyer represent and warrant to each other that there is no broker involved in this transaction with whom it has negotiated or to whom it has agreed to pay a broker commission. Buyer agrees to indemnify Seller for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Buyer, and Seller agrees to indemnify Buyer for any and all claims for brokerage commissions or finders' fees in connection with negotiations for purchase of the Property arising out of any alleged agreement or commitment or negotiation by Seller.
21. **Specific Performance.** This Agreement may be specifically enforced by the parties, provided that an action is brought within one year of the date of alleged breach of this Agreement.
22. **No Remedy Exclusive.** No remedy herein conferred upon or reserved to Seller or Buyer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.
23. **Successors and Assigns.** This Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns. Buyer acknowledges that it may only assign its rights under this Agreement pursuant to Section 14 of this Agreement, and that no assignment of this Agreement will relieve the assigning party of primary liability for the performance of its obligations hereunder.
24. **Complete Agreement.** This is the final Agreement between the parties and contains their entire agreement and supersedes all previous understandings and agreements, oral or written, relative to the subject matter of this Agreement. This Agreement may be amended only in a writing dated subsequent to the date of this Agreement and duly executed by all parties.

25. **Severability.** If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions herein will remain in full force and effect and shall in no way be affected, impaired, or invalidated thereby, so long as the economic or legal substance of the agreements contemplated herein are not affected in any manner materially adverse to any party. Upon such determination, the parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the parties.
26. **Partnership or Joint Venture.** Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between the parties relative to the Lots or the Property.
27. **No Merger of Representations, Warranties.** All representations and warranties contained in this Agreement shall not be merged into any instruments or conveyance delivered at Closing, and the parties shall be bound accordingly.
28. **Recording.** This Agreement shall be filed of record with the property office of the Itasca County Registrar of Titles and/or Office of County Recorder, as pertains to the Property.
29. **Conflict of Interests.** Seller and Buyer, to the best of their respective knowledge, represent and agree that no member, official, or employee of either Seller or Buyer shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership, or association in which he or she is directly or indirectly interested. No member, official, or employee of Seller or Buyer shall be personally liable to the other party, or any successor in interest, in the event of any default or breach by Seller or Buyer, or for any amount which may become due to Seller or Buyer or successor or on any obligations under the terms of this Agreement.
30. **Provisions Not Merged With Deeds.** None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

**In witness of the foregoing, the parties have executed this Agreement on the year and date written above.**

*[Signatures to follow.]*

**SELLER****Grand Rapids Economic Development Authority**

By: \_\_\_\_\_  
 Its: President

By: \_\_\_\_\_  
 Its: Executive Director

STATE OF MINNESOTA

} ss.

COUNTY OF ITASCA

The foregoing was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2023, by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive Director of the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic.

*NOTARY STAMP*\_\_\_\_\_  
SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT



**BUYER****Itasca County Habitat for Humanity Affiliate**

By: *Jamie Mjolsness*  
 Its: Executive Director

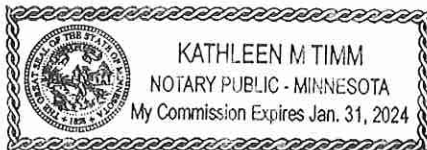
*David N. Anderson*  
 Chair of Board

STATE OF MINNESOTA    )  
   ) ss  
 COUNTY OF \_\_\_\_\_)

The foregoing was acknowledged before me this 13<sup>th</sup> day of September 2023,  
 by Jamie Mjolsness, the Executive Director of Itasca County Habitat for Humanity  
 Affiliate, a nonprofit corporation under the laws of Minnesota, on behalf of the corporation.

NOTARY STAMP

*Kathleen M. Timm*  
 SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT



**Exhibit A to Purchase and  
Development Agreement  
QUIT CLAIM DEED**

**Deed Tax Due:** \$ \_\_\_\_\_

**ECRV:** \_\_\_\_\_

Date: \_\_\_\_\_, 2023

FOR VALUABLE CONSIDERATION, Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, Grantor, hereby conveys and quitclaims to the Itasca County Habitat for Humanity Affiliate, a nonprofit corporation under the laws of the State of Minnesota, Grantee, real property in Itasca County, Minnesota, described as follows:

Lot 3, Block 2, Forest Lake Addition, according to the recorded plat thereof, County of Itasca, State of Minnesota

AND

Lot 4, Block 2, Forest Lake Addition, according to the recorded plat thereof, County of Itasca, State of Minnesota.

*Check here if part or all of the land is Registered (Torrens)* ☐

together with all hereditaments and appurtenances, and subject to easements of record.

Section 1. This deed is subject to that certain Purchase and Development Agreement between Grantor and Grantee, dated \_\_\_\_\_, 2023, recorded \_\_\_\_\_, 2023, in the office of the Itasca County Registrar of Titles [or County Recorder] as Document No. \_\_\_\_\_ (the "Agreement"), including without limitation the Grantor's right of reverter in the event of certain defaults by Grantee under the Agreement as more fully described in Section 15 thereof.

**Section 2. Grantor's rights under paragraph 14F of the Agreement remain until \_\_\_\_\_, 20\_\_, unless earlier released by Grantor.**

- ☐ The Seller certifies that the Seller does not know of any wells on the described real property.
- ☐ A well disclosure certificate accompanies this document or has been electronically filed. (If electronically filed, insert WDC number: \_\_\_\_\_).
- ☐ I am familiar with the property described in this instrument and I certify that the

GRAND RAPIDS ECONOMIC DEVELOPMENT  
AUTHORITY

By \_\_\_\_\_  
Its: President

By \_\_\_\_\_  
Its: Executive Director

status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

STATE OF MINNESOTA    )  
   ) ss  
 COUNTY OF ITASCA        )

The foregoing was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2023, by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive Director respectively, of the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the public body corporate and politic, Grantor.

*NOTARY STAMP*

\_\_\_\_\_  
 SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

This instrument was drafted by:

Kennedy & Graven, Chartered  
 Fifth Street Towers  
 150 South Fifth Street, Suite 700  
 Minneapolis, MN 55402  
 (612) 337-9300

Tax Statements should be sent to:

Housing and Redevelopment Authority  
 (HRA) of Itasca County, Minnesota  
 1115 NW 4th Street  
 Grand Rapids, Minnesota 55744

**Exhibit B to Purchase and  
Development Agreement**

**Form of Certificate of Completion**

## CERTIFICATE OF COMPLETION

WHEREAS, the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the "Grantor"), conveyed land in Itasca County, Minnesota to the Itasca County Habitat for Humanity Affiliate, a nonprofit corporation under the laws of Minnesota (the "Grantee"), by a Deed recorded in the Office of the County Recorder [and or in the Office of the Registrar of Titles] in and for the County of Itasca and State of Minnesota, as Document Number \_\_\_\_\_;

and

WHEREAS, said Deed is subject to a Purchase and Development Agreement recorded in the Office of the County Recorder [and or in the Office of the Registrar of Titles] in and for the County of Itasca and State of Minnesota, as Document Number \_\_\_\_\_; which contained certain covenants and restrictions set forth in Sections 3, 14A, 14B, 14C, 14D and 14E thereof; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification.

NOW, THEREFORE, this is to certify that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Sections 3, 14A, 14B, 14C, 14D, and 14E of the Agreement have been performed by the Grantee therein, and the County Recorder [and/or the Registrar of Titles] in and for the County of Itasca and State of Minnesota are hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Sections 3, 14A, 14B, 14C, 14D, and 14E of the Agreement and the covenants and restrictions set forth in Section 1 of said Deed; provided that the covenants set forth in Sections 14F of the Agreement, and in Section 2 of the Deed, remain in full force and effect through the period stated thereon.

Dated: \_\_\_\_\_, 20\_\_\_\_.

GRAND RAPIDS ECONOMIC DEVELOPMENT  
AUTHORITY

By \_\_\_\_\_  
Its: President

By \_\_\_\_\_  
Its: Executive Director

STATE OF MINNESOTA    )  
   ) ss  
 COUNTY OF ITASCA        )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_,  
 20\_\_,       by \_\_\_\_\_ and \_\_\_\_\_,       the  
 \_\_\_\_\_ and \_\_\_\_\_ respectively, of the Grand  
 Rapids Economic Development Authority, a public body corporate and politic under the laws of  
 Minnesota, on behalf of the authority.

\_\_\_\_\_  
 Notary Public

This document drafted by:  
 Kennedy & Graven, Chartered  
 150 South Fifth Street, Suite 700  
 Minneapolis, MN 55402  
 (612) 337-9300





# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

## RESOLUTION NO. \_\_\_\_\_

### RESOLUTION APPROVING THE CONVEYANCE OF CERTAIN LOTS OWNED BY THE ECONOMIC DEVELOPMENT AUTHORITY AND PURCHASE AND DEVELOPMENT AGREEMENT WITH THE ITASCA COUNTY HABITAT FOR HUMANITY AFFILIATE

BE IT RESOLVED By the Board of Commissioners ("Board") of the Grand Rapids Economic Development Authority ("Authority") as follows:

#### Section 1. Recitals.

1.01. The Authority currently administer its Development District No. 1 ("Development District") pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 ("EDA Act") and has determined a need to exercise the powers of a housing and redevelopment authority, as authorized pursuant to Section 469.091 of the EDA Act; and

1.02. Within the Development District, the Authority has acquired certain parcels that are suitable for the construction of single-family homes, which parcels are described in Exhibit A hereto (the "Subject Parcels").

1.03. The Authority intends to convey the Subject Parcels to the Itasca County Habitat for Humanity Affiliate, a nonprofit corporation under the laws of Minnesota (the "Developer") to construct homes for sale to owner-occupants and to that end has prepared a Purchase and Development Agreement between the Authority and the Developer for the sale of the Subject Parcels.

1.04. The Board held a duly noticed public hearing regarding the proposed sale of the Subject Parcels.

1.05. The Board has determined that sale of the Subject Parcels as described in this resolution is in the best interest of the City and its residents, and further finds and determines that conveyance of the Subject Parcels has no relationship to the City's comprehensive plan, in that no amendment or modification of the comprehensive plan is required for the conveyance. The Authority further finds and determines that conveyance of the Subject Parcels for residential purposes is consistent with the objectives of the City's comprehensive plan pertaining to development of affordable single-family homes.

#### Section 2. Sale of Subject Parcels Approved; Further Proceedings.

2.01. The Board approves the Purchase and Development Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications, or consents referenced in or attached to the Agreement including without limitation the quit claim deeds and any documents required by the title company relating to the conveyance of Subject Parcels (the "Conveyance Documents"). The Board hereby approves the conveyance of the Subject Parcels to the Developer, or an entity affiliated therewith, in accordance with the terms of the Purchase and Development

Agreement.

2.02 The Board hereby authorizes the President and Executive Director, in their discretion and at such time, if any, as they may deem appropriate, to execute the Purchase and Development Agreement and the Conveyance Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority's obligations thereunder when all conditions precedent thereto have been satisfied. The Purchase and Development Agreement shall be in substantially the form on file with the Authority and the approval hereby given to the Purchase and Development Agreement includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Authority and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officers of the Authority herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This resolution shall not constitute an offer and the Purchase and Development Agreement shall not be effective until the date of execution thereof as provided herein.

2.03. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Purchase and Development Agreement as a whole, including without limitation execution of the Conveyance Documents.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this \_\_\_\_ day of \_\_\_\_\_, 2023.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A**

**Subject Parcels**

Lot 3, Block 2, Forest Lake Addition, according to the recorded plat thereof, County of Itasca,  
State of Minnesota

AND

Lot 4, Block 2, Forest Lake Addition, according to the recorded plat thereof, County of Itasca,  
State of Minnesota



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** September 28, 2023

**STATEMENT OF ISSUE:** Consider approval of a Commercial Building Improvement Loan with Kreklow Enterprises for improvements to the Kreklow Dental Clinic at 510 NW 2nd Ave.

**PREPARED BY:** Rob Mattei, Executive Director

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### BACKGROUND:

Dr. Gretchen Kreklow and Jason Kreklow, the owners of Kreklow Dental located in the Central Business District at 510 NW 2<sup>nd</sup> Ave. have applied for a Commercial Building Improvement Loan of \$40,000 to support improvement to their facility.

The planned improvements to Kreklow Dental, totaling \$226,000, involve roofing, selective interior demolition, interior plumbing (including a new bathroom), electrical and communications upgrades, HVAC upgrades, drywall and casework.

These proposed improvements will also allow them to bring in another much needed dentist into their practice.

As you'll recall, the CBIL can provide up to \$40,000 per project or 75% of the total project cost, whichever is less. The CBIL program provides these funds at a 2% interest rate, amortized over a 20-year periods with a balloon payment at the end of year five.

GREDA is funding CBIL program loans, currently, through a Blandin Foundation Program Related Investment non-recourse note and, thus the principal and interest collected from these loans are paid to the Blandin Foundation.

Commissioners Sholom Blake and Wayne Bruns have reviewed this application with staff and have recommended approval of this loan.

### RECOMMENDATION:

**REQUIRED ACTION:** Pass a motion approving a Commercial Building Improvement Loan with Kreklow Enterprises for improvements to the Kreklow Dental Clinic at 510 NW 2nd Ave.



# HAWK CONSTRUCTION INC.

*Commercial Building Contractor*

FINAL BID (accessibility break out)

**KREKLOW DENTAL**

**September 12, 2023**

Description	Base Cost	Accessibility
1 GENERAL REQUIREMENTS	\$16,814	\$4,000
2 SELECTIVE DEMOLITION	\$14,200	\$6,362
3 BUILDING CONCRETE	\$0	\$0
4 ROUGH CARPENTRY WALLS	\$7,115	\$3,027
5 ROUGH CARPENTRY ROOF	\$0	\$0
6 FINISHED CARPENTRY	\$323	\$0
7 ARCHITECTURAL CASEWORK	\$12,527	\$4,791
8 ROOFING	\$60,805	\$0
9 ASPHALT SHINGLE ROOF	\$0	\$0
10 SOFFIT & FASCIA	\$0	\$0
11 EIFS	\$0	\$0
12 THERMAL INSULATION	\$54	\$421
13 SHEET METAL FLASHING	\$0	\$0
14 JOINT SEALANTS	\$250	\$0
15 DOORS, FRAMES & HARDWARE	\$0	\$2,581
16 ALUM. ENTRANCES & GLAZING	\$0	\$6,541
17 GYPSUM BOARD FINISHING	\$9,597	\$2,435
18 TILING	\$0	\$4,000
19 CARPET AND VINYL FLOORS	\$15,000	\$0
20 ACOUSTICAL CEILINGS	\$5,352	\$324
21 PAINTING	\$7,090	\$357
22 FIBERGLASS REINFORCED PANEL	\$0	\$0
23 SIGNAGE ALLOWANCE	\$83	\$0
24 TOILET & BATH ACCESSORIES	\$1	\$640
25 DENTAL EQUIPMENT (BY OWNER)	\$0	\$0
26 FIRE PROTECTION SPECIALTIES	\$0	\$0
27 DIV. 22 PLUMBING	\$8,191	\$8,190
28 DIV. 23 HVAC	\$1,622	\$0
29 DIV. 26 ELECTRICAL	\$11,596	\$11,596
30 COMMUNICATIONS CABLING (ALLOWANCE)	\$0	\$0
31 SECURITY/FOB SYSTEMS (ALLOWANCE)	\$0	\$0
32 EARTHWORK	\$0	\$0
33 LANDSCAPING ALLOWANCE	\$0	\$0
34 SITE CONCRETE (INCLUDED IN BUILDING CONCRETE)	\$0	\$0
<b>Total Construction Cost=</b>	<b>\$170,620</b>	<b>\$55,266</b>
<b>Grand Total</b>	<b>\$225,886</b>	
<b>Bond if required=</b>	<b>\$2,000</b>	
<b>Recommended Contingency=</b>	<b>\$11,294</b>	
<b>Highlighting items eligible for BER Grant=</b>	<b>\$72,401</b>	







## REQUEST FOR GRAND RAPIDS EDA ACTION

---

**AGENDA DATE:** September 28, 2023

**STATEMENT OF ISSUE:** Consider approval of a Downtown Mandated Building Improvement Loan with Kreklow Enterprises for improvements to the Kreklow Dental Clinic at 510 NW 2nd Ave.

**PREPARED BY:** Rob Mattei, Executive Director

---

### **BACKGROUND:**

As previously stated, the renovation of the Kreklow Dental Clinic at 510 NW 2<sup>nd</sup> Ave. involves the construction of mandated building upgrades to the front entryway and bathrooms that amount to \$55,300 of additional cost to the owners.

These improvements are qualified expenses under the recently established GREDA program for Downtown Mandated Building Improvement Loans. As you will recall, this Program is designed to lessen the impact of these additional improvement costs, by providing up to \$50,000 per project in a deferred loan with forgiveness over a ten-year term.

Under the terms of the GREDA policy for this Program, Kreklow Enterprises' request for \$50,000 of Program funds for this project was also reviewed by Commissioners Blake and Bruns.

They have recommended approval of the request.

### **RECOMMENDATION:**

**REQUIRED ACTION:** Pass a motion approving a Downtown Mandated Building Improvement Loan with Kreklow Enterprises for improvements to the Kreklow Dental Clinic at 510 NW 2nd Ave.



# HAWK CONSTRUCTION INC.

*Commercial Building Contractor*

FINAL BID (accessibility break out)

**KREKLOW DENTAL**

**September 12, 2023**

Description	Base Cost	Accessibility
1 GENERAL REQUIREMENTS	\$16,814	\$4,000
2 SELECTIVE DEMOLITION	\$14,200	\$6,362
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5 ROUGH CARPENTRY ROOF	\$0	\$0
6 FINISHED CARPENTRY	\$323	\$0
7 ARCHITECTURAL CASEWORK	\$12,527	\$4,791
8 ROOFING	\$60,805	\$0
9 ASPHALT SHINGLE ROOF	\$0	\$0
10 SOFFIT & FASCIA	\$0	\$0
11 EIFS	\$0	\$0
12 THERMAL INSULATION	\$54	\$421
13 SHEET METAL FLASHING	\$0	\$0
14 JOINT SEALANTS	\$250	\$0
15 DOORS, FRAMES & HARDWARE	\$0	\$2,581
16 ALUM. ENTRANCES & GLAZING	\$0	\$6,541
17 GYPSUM BOARD FINISHING	\$9,597	\$2,435
18 TILING	\$0	\$4,000
19 CARPET AND VINYL FLOORS	\$15,000	\$0
20 ACOUSTICAL CEILINGS	\$5,352	\$324
21 PAINTING	\$7,090	\$357
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24 TOILET & BATH ACCESSORIES	\$1	\$640
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28 DIV. 23 HVAC	\$1,622	\$0
29 DIV. 26 ELECTRICAL	\$11,596	\$11,596
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31 SECURITY/FOB SYSTEMS (ALLOWANCE)	\$0	\$0
32 EARTHWORK	\$0	\$0
33 LANDSCAPING ALLOWANCE	\$0	\$0
34 SITE CONCRETE (INCLUDED IN BUILDING CONCRETE)	\$0	\$0
<b>Total Construction Cost=</b>	<b>\$170,620</b>	<b>\$55,266</b>
<b>Grand Total</b>	<b>\$225,886</b>	
<b>Bond if required=</b>	<b>\$2,000</b>	
<b>Recommended Contingency=</b>	<b>\$11,294</b>	
<b>Highlighting items eligible for BER Grant=</b>	<b>\$72,401</b>	