



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

**Thursday, September 22, 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, September 22, 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 minutes from the September 8th, 2022 regular meeting.

APPROVE CLAIMS

- [2.](#) Consider approval of claims in the amount of \$164,030.82.

BUSINESS

- [3.](#) Consider adoption of a resolution approving a second amendment to a Preliminary Development Agreement with Cambium Development, LLC.
- [4.](#) Consider approving a subordination agreement with Deerwood Bank for a Commercial Building Improvement Loan provided to Bob and Lory Warren dba Rapids Printing for improvements to 415 S. Pokegama Avenue.

UPDATES

- [5.](#) Voyageur Capital Group TIF Inspection

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, September 08, 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, September 08, 2022 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik
Commissioner Cory Jackson
President Sholom Blake
Commissioner Tasha Connelly
Commissioner Rick Blake
Commissioner Wayne Bruns

ABSENT

Commissioner Mike Korte

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 August 25, 2022 regular meeting.

Motion by Commissioner Connelly, second by Commissioner Hodnik to approve the minutes of the August 25, 2022 regular meeting. The following voted in favor thereof: R. Blake, Jackson, S. Blake, Connelly, Bruns, Hodnik. Opposed: None, passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$2,082.

Motion by Commissioner Bruns, second by Commissioner Jackson to approve claims in the amount of \$2,082. The following voted in favor thereof: Hodnik, Bruns, Connelly, S. Blake, Jackson, R. Blake. Opposed: None, passed unanimously.

BUSINESS

3. Consider adopting a resolution approving a Preliminary Development Agreement with Oppidan, Inc.

GREDA has received a Letter of Intent (LOI) from Oppidan Inc. expressing interest in the purchase and development of Lot 1, Block 1, of the plat of Great River Acres. Their intended use of the site is a four story 145 unit market rate apartment building. Their purchase price offer of \$485,000 is the current asking price established by GREDA.

Oppidan has executed the Preliminary Development Agreement, which references the LOI and established Oppidan as the exclusive developer of the property for period of 180 days. Oppidan will complete their due diligence, which will likely include and application for TIF or Tax Abatement assistance. The next step after this agreement would be the approval of a Purchase and Development Contract.

Motion by Commissioner R. Blake, second by Commissioner Bruns to approve a Preliminary Development Agreement with Oppidan, Inc. The following voted in favor thereof: R. Blake, Jackson, S. Blake, Connelly, Bruns, Hodnik. Opposed: None, motion passed unanimously.

4. Select volunteers to work with Rob to review CBIL Loans.

Commissioners Bruns and Jackson volunteered to be on the review committee.

5. Consider approving a contract with LHB for a TIF Analysis at the former Ainsworth Site.

A TIF analysis is needed at the former Ainsworth site for Abor Wood Community Development contacted LHB and they gave him a rough estimate of around \$6000 for the project.

Motion by Commissioner Hodnik, second by Commissioner Bruns to approve a contract with

LHB for a TIF Analysis at the former Ainsworth Site not to exceed \$7,500. The following voted in

favor thereof: Hodnik, Bruns, Connelly, S. Blake, Jackson, R. Blake. Opposed: None, passed unanimously.

UPDATES

ASV- Their project is moving forward and they have applied for Tax Abatement.

ADJOURN

Their being no further business the meeting adjourned at 4:25 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: 09/16/2022
 TIME: 10:03:03
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 09/22/2022

VENDOR #	NAME	AMOUNT DUE

EDA - CAPITAL PROJECTS		
DWNTOWN PLAN	PJT-BLANDIN GRNT	
1900650	SRF CONSULTING GROUP INC	27,918.61
TOTAL DWNTOWN PLAN PJT-BLANDIN GRNT		27,918.61
BLANDIN FNDN	PRI LOAN	
0212129	BLANDIN FOUNDATION	134,942.00
TOTAL BLANDIN FNDN PRI LOAN		134,942.00
TOTAOL UNPAID TO BE APPROVED IN THE SUM OF:		\$162,860.61
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920055	ITASCA COUNTY RECORDER	23.00
1309170	MN DEED	1,000.00
1621130	P.U.C.	147.22
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$1,170.22
TOTAL ALL DEPARTMENTS		\$164,030.83



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: September 22, 2022

STATEMENT OF ISSUE: Consider adoption of a resolution approving a second amendment to a Preliminary Development Agreement with Cambium Development, LLC.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA entered into a Preliminary Development Agreement with 4A Management, LLC on September 23, 2021. The Agreement established 4A Management as the sole developer of the GREDA Block 18 site (former location of the VFW) and granted 4A Management 180 days to pursue due diligence efforts focused on their planned development of a boutique hotel and restaurant on the site.

On March 10, 2022, GREDA approved an amendment, which assigned the rights under the Agreement to a newly formed entity, Cambium Development, LLC, and extended the term of the Agreement by 180 days.

Staff continues to receive frequent updates from Cambium. Most recently, they have narrowed down their selection of a hotel management company to two candidates. They have also completed a professional market study for the project, which supports the need for the project in our hospitality market.

With the term of the first amendment recently expiring, and with progress toward the project continuing, Cambium has requested an additional extension to the Agreement, established within the proposed Second Amendment to the Preliminary Development Agreement. The Second Amendment will extend the Agreement an additional 180 days from adoption.

RECOMMENDATION:

REQUIRED ACTION: Pass a motion adopting a resolution approving a second amendment to a Preliminary Development Agreement with Cambium Development, LLC.

From: [Dan Margo](#)
To: [Rob Mattei](#)
Subject: Re: Downtown Boutique Hotel Project
Date: Tuesday, September 13, 2022 5:31:31 PM

Good afternoon Rob,

Please accept this as a request for an extension on our preliminary development agreement with the GREDA regarding the VFW site.

Most recently we have narrowed our management group search down to two final candidates. We are considering the Morrissey Hospitality Group out of Saint Paul and also a group by the name of Boutique Hotel Professionals (BHP)... Out of Michigan.

We have recently received preliminary data regarding our request for a more complete and current feasibility study. The preliminary numbers are quite favorable. We will be happy to share that study with you once we have the final report.

At this point in time, please allow us to extend our current agreement with the GREDA.

Most sincerely,
 Dan Margo

Sent from my iPhone

> On Jul 26, 2022, at 2:03 PM, Rob Mattei <rmattei@ci.grand-rapids.mn.us> wrote:
 >
 > This is perfect.
 >
 > Give me a call when you have a moment. I can be when you get back. I want to connect you with someone that could generate a substantial line of business for the hotel and meeting room.
 >
 >
 > -----Original Message-----
 > From: Dan Margo <dmargo4861@gmail.com>
 > Sent: Monday, July 25, 2022 3:52 PM
 > To: Rob Mattei <rmattei@ci.grand-rapids.mn.us>
 > Subject: Downtown Boutique Hotel Project
 >
 >
 > Rob and GREDA,
 >
 > We would like to provide you with an update on our project and progress here recently. We remain excited and very optimistic about this project and the impact that it will have on our downtown area and our Grand Rapids community.
 >
 > -We continue to work with DSGW as our architect. We have enjoyed the relationship so far. Just last week, they provided us with an updated design deck. We would be happy to share that with you.
 >
 > -As you may know, we have selected HAWK Construction as our general contractor and "construction manager". We have been in contact with HAWK Construction and their leadership. They have assured us that their recent change in ownership will not in anyway hinder their ability to facilitate the successful completion of our project. Building costs remain elevated and there is obviously the "labor shortage". Even considering this current situation,

we believe we can bring this project to completion.

>

> -We have met individually with Woodland Bank, Dearwood Bank, the Bank of Coleraine, and Grand Rapids State Bank. We have asked these four banks to cooperate and we have requested that Woodland Bank serve as the “lead bank“. The four banks have met and they have reported a favorable first impression of the project. We believe they are ready to go once we secure our investment group.

>

> -We have recently interviewed three entities with experience in management and ongoing operations of boutique hotels. More specifically, we would like this entity to have experience in the northern Minnesota market. We have requested proposals from these 3 entities. We are expecting to hear back from them by August 15.

>

> -We have requested a more in depth, specific, and up-to-date feasibility study. The bankers have requested this and we feel that this will be helpful in conversation with our investors. We will be happy to share this information with you once we have it in our hands.

>

> -We have had preliminary meetings with several key investors. We will not request commitment until we have selected the management group and have reviewed the more robust feasibility study.

>

> -We continue to work with Kyle O'Brien and Amanda McCabe. They are recently married and now go by Kyle and Amanda Luciere. We are exploring and looking for the most effective way to partner with these young entrepreneurs and to bring a high-level restaurant to the downtown Grand Rapids area.

>

> -We continue to recognize the parking situation as an important component of a successful project. We have been exploring parking solutions with the Chamber of Commerce and UPM.

>

> -We have been working toward open communication and a purposeful cooperative relationship with Itasca Economic Development Company and the Wells Fargo Bank. These relationships are important as these businesses would be our immediate next-door neighbors.

>

> *** Rob, I hope this is what you were looking for. Please feel free to summarize this for your meeting on Thursday. Let me know if there is anything else you would need to prepare for the meeting.

>

> Thanks again for the Ongoing help with this project.

>

> Sincerely,

> Dan Margo (and the Cambium Group)

>

>

>

> Sent from my iPhone

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**APPROVING A SECOND AMENDMENT TO A PRELIMINARY DEVELOPMENT
AGREEMENT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY AND CAMBIUM 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, entered into a Preliminary Development Agreement, dated September 23, 2021, as amended by the First Amendment to Preliminary Agreement, dated March 10, 2022 (collectively, the “Original Agreement”), between the Authority and Cambium Development, LLC (the “Developer”), 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. The Authority and the Developer propose to amend certain terms of the Original Agreement to provide the parties with more time to negotiate the Contract.

1.03. There has been presented before the Board a Second 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.

1.04. 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 22nd day of September, 2022, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

APPROVING A SECOND AMENDMENT TO A PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND CAMBIUM 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.

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Approved this 22nd day of September, 2022, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: September 22, 2022

STATEMENT OF ISSUE: Consider approving a subordination agreement with Deerwood Bank for a Commercial Building Improvement Loan provided to Bob and Lory Warren dba Rapids Printing for improvements to 415 S. Pokegama Avenue.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

On September 23, 2021, GREDA approved a Commercial Building Improvement Loan of \$40,000 to Bob and Lory Warren dba Rapids Printing for improvements to their recently purchased building at 415 S. Pokegama Avenue, for the relocation of their business.

As you will 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.

As was the case with the Rapids Printing loan, GREDA is currently funding CBIL program loans 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.

Rapids Printing is financing a second phase of their improvements with Deerwood Bank who also financed the first phase. The Deerwood Loan is in a first position, superior the GREDA loan. The second phase of the improvements involves the development of a parking lot on the north side of the commercial building with access on to Hwy. 169. Deerwood Bank and the Warrens have requested that the combined Deerwood debt remain in a first position.

The Loan Review Committee will review this request and provide a recommendation.

RECOMMENDATION:

REQUIRED ACTION: Consider approval of a subordination agreement with Deerwood Bank for a Commercial Building Improvement Loan provided to Bob and Lory Warren dba Rapids Printing for improvements to 415 S. Pokegama Avenue.

(Top 3 Inches reserved for recording data)

**SUBORDINATION AGREEMENT
by Business Entity****Minnesota Uniform Conveyancing Blanks
Form 20.8.2 (2011)**DATE: September 7, 2022

(month/day/year)

FOR VALUABLE CONSIDERATION, the undersigned hereby subordinates the lien on real property in Itasca County,
Minnesota, legally described as follows:
SEE EXHIBIT A

Check here if all or part of the described real property is Registered (Torrens) ☐

which is evidenced by a Mortgage dated November 18, 2021,
(insert title of document to be subordinated) (month/day/year)
and recorded on December 7, 2021, as Document Number A000758979 (or in Book _____ of
(month/day/year)
Page _____), in the Office of the ☒ County Recorder ☐ Registrar of Titles of Itasca
(check the applicable boxes)
County, Minnesota, to a subsequent lien evidenced by a Mortgage from
(insert title of document to be superior)
Robert J. Warren and Lory J. Warren, husband and wife to
(insert name of grantor)
Deerwood Bank,
(insert name of grantee)
in an amount not to exceed Sixty Thousand Dollars
(\$ 60,000) and recorded on _____, as Document Number _____ (or in
(month/day/year)
Book _____ of _____ Page _____), in the Office of the ☒ County Recorder ☐ Registrar of Titles
(check the applicable boxes)
of Itasca County, Minnesota.

Note: Remainder of page left blank, signature page follows.

Grand Rapids Economic Development Authority

(name)

By: _____

(signature)

Its: _____

(type of authority)

By: _____

(signature)

Its: _____

(type of authority)

State of Minnesota, County of Itasca

This instrument was acknowledged before me on _____

(month/day/year)

by _____

(name of authorized signer)

as _____

(type of authority)

and by _____

(name of authorized signer)

as _____

(type of authority)

of Grand Rapids Economic Development Authority

(name of party on behalf of whom the instrument was executed)

(Stamp)

(signature of notarial officer)

Title (and Rank): _____

My commission expires: _____

(month/day/year)

THIS INSTRUMENT WAS DRAFTED BY:

(insert name and address)

Deerwood Bank
 2950 South HWY 169
 PO Box 429
 Grand Rapids MN 55744

EXHIBIT A

Parcel I

Block Twenty-two (22) LESS the North Sixty-five Feet (N. 65') and the East One half (E 1/2) of vacated N/S Alley lying adjacent to Lot One (1) and LESS that part of Lots Four, Five, and Six (4-6) and vacated alley, Block Twenty-two (22) Central Division of Grand Rapids as shown as parcel 46 on MN DOT Row Plat 31-159, Itasca County, Minnesota.

AND

Parcel II

The North Sixty-five Feet (65') of Block Twenty-two (22) and South Five Feet (S. 5') of vacated alley lying North and adjacent thereto and the South One half (S 1/2) of the E-W alley adjacent to Blocks Twenty, Twenty-one, and Twenty-two (20-22) and the East One half (E. 1/2) of vacated N/S alley lying adjacent to Lot One (1) and LESS that part of Lots Four, Five and Six (4-6) and vacated alley, Block Twenty-two (22) Central Division of Grand Rapids as shown as parcel 46 on MN DOT Row Plat 31-159, Itasca County, Minnesota.