



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, October 10, 2024  
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, October 10, 2024 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 September 26, 2024 regular meeting minutes.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$6,933.50.

BUSINESS

3. Downtown Organizational Capacity Project - Janna King
4. Consider the adoption of a resolution approving a Preliminary Development Agreement between GREDA and Commonwealth Real Estate Acquisitions, LLC

UPDATES

ADJOURN

## MEMBERS & TERMS

Tom Sutherland - 12/31/2024 Council Representative  
Molly MacGregor - 12/31/2024 Council Representative  
Wayne Bruns - 3/1/25  
Sholom Blake - 3/1/25  
Al Hodnik - 3/1/27  
Bill Martinetto - 3/1/27  
Malissa Bahr - 3/1/30



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, September 26, 2024  
4:00 PM

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

PRESENT: Commissioner Al Hodnik: President Sholom Blake, Commissioner Wayne Bruns, Commissioner Bill Martinetto, Commissioner Molly MacGregor. ABSENT: Commissioner Tom Sutherland, Commissioner Malissa Bahr.

STAFF: Rob Mattei

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 .*

Additions to the agenda are as follows:

- 3a. Adopt a resolution approving selections for Workforce Housing Development Program.
- 3b. Adopt a resolution approving preliminary development agreement with Oppidan, Incorporated.

## APPROVE MINUTES

- 1. Consider approval of minutes from the September 12, 2024 regular meeting.

Motion made by Commissioner Martinetto, Second by Commissioner MacGregor to approve minutes for September 12, 2024 as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacGregor

## APPROVE CLAIMS

- 2. Consider approval of claims in the amount of \$445.42

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

## BUSINESS

- 3. Consider approval of a Commercial Building Improvement Loan with Klockow Brewing for improvements to 36 SE 10<sup>th</sup> St.

Mr. Mattei presented background information and recommends approval.

Motion made by Commissioner Hodnik, Second by Commissioner MacGregor approve CBII with Klockow Brewing as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacGregor

3a. Consider adopting a resolution approving selections for the Workforce Housing Development Program (WHDP)

Motion made by Commissioner Bruns, Second by Commissioner MacGregor adopting resolution approving selections for WHDP as presented. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacGregor

3b. Consider adopting a resolution approving preliminary development agreement between GREDA and Oppidan, Incorporated.

Motion made by Commissioner Martinetto, Second by Commissioner Hodnik adopting resolution approving a preliminary development agreement between Grand Rapids EDA and Oppidan, Incorporated. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacGregor

UPDATES

Mr. Mattei provided updates on various projects including ISD 318 administration building acquisition and preliminary apps to IRRR for various projects.

ADJOURN

Motion made by Commissioner Bruns, Second by Commissioner Hodnik to adjourn the meeting at 4:15 PM. Voting Yea: Commissioner Hodnik, President Blake, Commissioner Bruns, Commissioner Martinetto, Commissioner MacGregor

Respectfully submitted:

Kimberly Gibeau, City Clerk

DATE: 10/04/2024  
 TIME: 16:06:28  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 10/10/2024

VENDOR #	NAME	AMOUNT DUE
-----		
EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
0508450	EHLERS AND ASSOCIATES INC	750.00
	TOTAL MISCELLANEOUS PROJECT	750.00
AIRPORT SOUTH INDUSTRIAL PARKS		
0718010	CITY OF GRAND RAPIDS	100.00
	TOTAL AIRPORT SOUTH INDUSTRIAL PARKS	100.00
DWTOWN PLAN PJT-BLANDIN GRNT		
0504100	ECONOMIC DEVELOPMENT SERVICES	4,600.00
	TOTAL DWTOWN PLAN PJT-BLANDIN GRNT	4,600.00
FOREST LK SCH REDEVELOPMENT		
1105530	KENNEDY & GRAVEN, CHARTERED	1,383.50
	TOTAL FOREST LK SCH REDEVELOPMENT	1,383.50
FARM SERVICE REDEVELOPMENT		
1105530	KENNEDY & GRAVEN, CHARTERED	54.00
	TOTAL FARM SERVICE REDEVELOPMENT	54.00
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$6,887.50
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920055	ITASCA COUNTY RECORDER	46.00
	TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:	\$46.00
	TOTAL ALL DEPARTMENTS	\$6,933.50



# Downtown Grand Rapids

*Building Organizational Capacity*



# Background

- 2020 Grand Rapids Comprehensive Plan identifies downtown as a priority
- 2023 Downtown Grand Rapids Plan Update – Highlights
  - Establish an **organization** of stakeholders, business & property owners
  - Keep a focus on downtown’s **economic niche & strategic business mix**
  - Optimize **physical design & appearance** to support economic niche & customer experience
  - **Activate downtown** with events, flexible experiences like the bookwalk & engagement within businesses (e.g., classes, events)
  - Support investment with updated **finance & technical assistance** tools

# Why create an organization to lead downtown revitalization?



- Grand Rapids is an important regional center for employment, retail, professional services, government, health care, education, arts & culture
- Downtown embodies the region's history & culture. It is central to a community's identity
- A vibrant downtown can attract residents, visitors & a talented workforce
- Positive, fun, shared experiences build a sense of community
- Downtown areas face challenges
  - Independent business & property owners are a strength & a challenge!!
  - Evolution of retail – big box, on-line
  - Aging structures & infrastructure need updates
  - Lack advocate, coordination

**Leadership and teamwork is essential!**

*Downtown organizations serve as a hub coordinating the key components of successful downtown revitalization*







What's  
happened so  
far in 2024?

- EDA created Downtown Advisory Committee to guide creation of an organization (January)
- 14 participants toured 5 regional center communities with healthy downtown areas to learn how they succeeded (April-May)
- Recent activity
  - Developed 2-year workplan
  - Developed budget & fundraising strategy (3-5 year commitments)
  - Drafted Memorandum of Agreement(s) with partner non-profits
  - Prepared position description

# Downtown Tour

April 29 – May 2, 2024

Cambridge  
Northfield  
Owatonna  
St. Peter  
Hutchinson



# Tour Participants Actively Engaged & Observations Documented

Item 3.

Tour Guide Book → Profiles of tour communities → Participants recorded → Participant Surveys impressions

**Grand Rapids DOWNTOWN**

Building Organizational Capacity

**Downtown Tour Guide**  
April 29 - May 1, 2024

- Cambridge
- Northfield
- Owatonna
- Saint Peter
- Hutchinson

Financial support for Downtown Grand Rapids capacity building provided by

Cambridge

**2023 Population**  
Cambridge - 33,462  
Iowa County - 42,817

**2023 Median Household Income**  
Cambridge - \$57,960  
Iowa County - \$19,687

**2023 Employment**  
Cambridge - 6,296  
Iowa County - 11,081

**Downtown Cambridge**

**Highlights - Cambridge Economy**

- Anoka Ramsey Community College - approximately 4,000 students
- Cambridge Iowa School District - 5,068 public school students (2023-24)
- Allina - Cambridge Medical Center and Hospital - 900 employees
- Regional retail center - RUFAs, Target, Walmart, Minnards, Coko Foods, A&E, Paul Farm Tractor Supply, Gainers Deli
- Manufacturing employment - 11.1% (Iowa County, 2022, MW DEED)
- Significant commuting to the metro area

Cambridge

Activation Notes

Finance and Technical Assistance Notes

*5 City Surveys*

*Tour Wrap-up Survey*

## Top “Take-aways” from Cambridge

- Benefits of business co-location & innovative product mix
- Businesses promote each other
- Downtown financing tools to meet local business needs (e.g. fire suppression, ADA, facade & interest buy-down)
- Strong city council support. Good engagement by private sector businesses(15-20% active) & problem-solving dialogue with city staff
- No formal organization or budget. Chamber is active partner, doesn't require membership up front.
- Committees active with Chamber & social media support
- Good communication. ID barriers & work to reduce them collaboratively.
- Lots of events – thoughtfully timed for broad engagement



## Top “Take-aways” from Northfield

- Charming riverfront & colorful historic buildings & facades with parks, Riverwalk and patios overlooking river
- Strong financial resources – good communication, good business start-up system
- Full time downtown staff - in City Com Development Dept. has regular direct contact with businesses
- Significant volunteer involvement
- Technical assistance & support to businesses beyond publicity on loan programs
- Good wayfinding
- Dual mix businesses to increase traffic
- River Walk Market Fair (every Saturday mid May - Oct) & Third Thursdays involve farmers, artists, and food vendors. Significant sponsorship by area businesses.



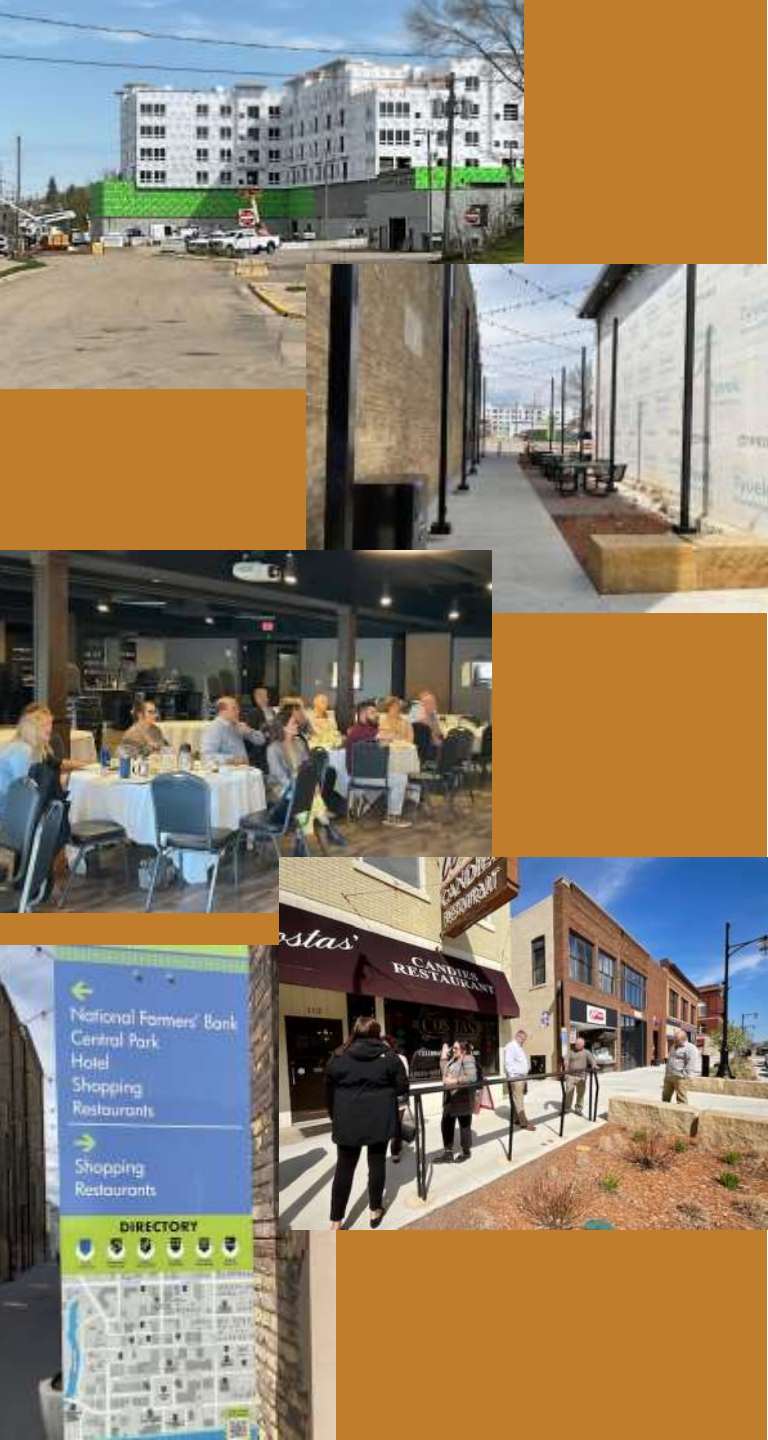
# Top “Take-aways” from Owatonna



- Exceptional city, private business and chamber collaboration – great attitudes
- Chamber includes Visit Owatonna, Mainstreet & Business Partnership (event group). SBDC & incubator also active partners.
- Branding of partners reflects teamwork
- Dedicated public & private champions willing to stand up for the value of downtown
- Well staffed & organized - FT Mainstreet staff - Chamber employee with in-person contact with businesses
- Excellent communication builds trust
- Strong relationships with local developers, investors
- Higher income area, larger population

# Top “Take-aways” from Owatonna

- Wide sidewalks, narrow streets for 3 blocks in lower traffic downtown connect to central park square with bandshell
- Attractive, well-lighted alleys with removable bollards connect to parking in the rear of businesses
- Great hotel & walkable meeting space in area restaurants
- Adjacent office employment generates foot traffic
- Good way-finding signage
- Good financing tools
- SBDC – succession planning for downtown businesses & support Farmer’s Market vendors to locate downtown
- Link public investments to private investment
- Raise substantial \$\$ through sponsorship of concerts & activities
- Well planned event calendar, work shared with various orgs



## Top “Take-aways” from St. Peter

- ✦ City, businesses & developers work well together
- ✦ Getting new development projects including housing downtown
- ✦ Significant financial resources to support revitalization from tornado.
- ✦ City provides some innovative financing tools
  - ✦ During road construction – offered 0% loan based on monthly occupancy cost. Repayment after road complete - \$100/month until repaid
- ✦ Historic properties as amenity get additional financial support
- ✦ Events held 2 blocks south of downtown in large park; core of downtown not configured well for events
- ✦ Business mix and cooperation are strong
  - ✦ 3 businesses located near each other draw same demographic
  - ✦ New brewery will have an app with the coop – food delivery across the street





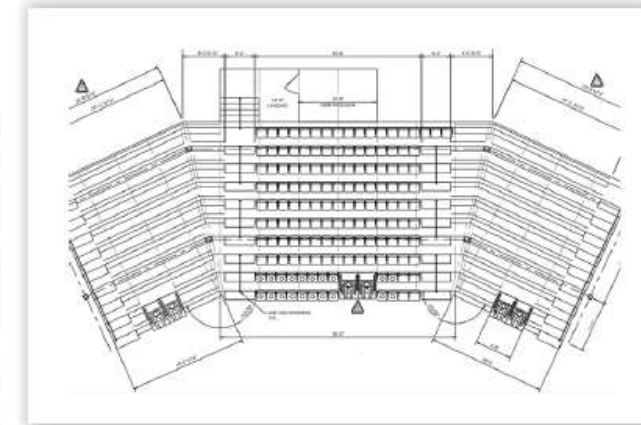
# Design & Appearance Goals since 2002

- Distinctiveness from other commercial settings
- Multifunctional
  - Multiple destinations in a compact place
  - Government / services / parks / housing / dining, etc.
- Pedestrian friendly
  - Walkable
  - Compactness, safety & design as key elements
- Unique heritage
- Human activity – people are present!
- People are encouraged to linger
  - Area is safe
  - Exciting / attractive
  - Things to see and do
  - Places to sit
- Community ownership

## Crow River Park & Trail Complex



2024 -270 seat baseball grandstand w/roof – east edge of downtown



# Top “Take-aways” from Hutchinson

- ✦ City driven, Chamber involvement in events & murals
  - ✦ Chamber sponsored music – Mondays in the summer, sponsorship - \$600 by local businesses
- ✦ City – planning, redevelopment, financing & entrepreneurial support
- ✦ Downtown Association “on pause”. Why? Farmer’s Market created separate non-profit. Trouble recruiting volunteers. Things going well.
- ✦ Strong relationship with major employer 3M that cares about talent retention & attraction provides significant \$\$
- ✦ Very focused on downtown plans & implementation
- ✦ Intentional, “can do” mindset
- ✦ “A shared vision via the plan is the secret sauce that unifies us & reduces uncertainty for everyone, including developers
- ✦ Important to take time for communication, it builds understanding & trust (city staff visited every property owner before special assessments for streetscape improvements)



# Top “Take-aways” from Hutchinson



- ✦ Target blight & take balanced approach to historic preservation
- ✦ Parking behind businesses along busy highway
- ✦ Active alleys pull people away from noisy traffic
- ✦ Great recreational riverfront & trails adjacent to downtown
- ✦ Annual national sculpture competition, sculpture walk & people’s choice award
- ✦ Maximize Library Square (central green space) as gathering space (removing berms at Central School would help in Grand Rapids)
- ✦ Solid city grant/loan programs (typical - TIF, DEED, loan fund)
  - ✦ Innovative - \$2K grants to businesses every 5 years for signs/awnings
- ✦ Business plan competition targets vacant properties – SBDC involvement is significant & required. Forgivable loan awarded to winner + private support to winners from accountants, website providers, etc.

## Tour “Wrap-up” Survey



What lessons will you remember from the tour?

- ✦ *Commitment to taking on the work*
- ✦ *Collaboration, leadership & teamwork – public and private sector, non-profits*
- ✦ *Working together – positive attitudes, shared vision, patience*

What makes the difference between good & great work?

- ✦ *Good = recent projects and investors*
- ✦ *Great is more*
  - + *Willingness to invest time & resources (e.g., full time staff)*
  - + *Positive attitude & shared vision*
  - + *Collaboration & teamwork – public & private*
  - + *Reassess some old rules*
  - + *Walkable spaces*
  - + *Gathering place for community*

# Wrap-up Survey

## Question: What would you tell to.....

### Grand Rapids EDA

- More resources are needed to actively focus on downtown, engage the private sector, raise awareness of the shared vision & financing tools, provide support to businesses, entrepreneurs & investors & promote downtown.
- Invest in making downtown more walkable and attractive with a mix of uses

### Business & Property Owners

Item 3.

- “We can do this in Grand Rapids!”
- Active participation & volunteering from the private sector
- Takes hard work, teamwork & a shared vision
- Support from the City and Chambers
- “Many hands makes light work”
- Big rewards: better bottom line, enhanced property values, community building, personal satisfaction, more attractive, welcoming place



### Foundations & Non-profits

- Everyone needs to be involved and work together
- Need leadership commitment, champions, staff & financial resources
- It will take time

# Recommended Organizational Structure & Office Location

## Start up – 6-18 months

- Fiscal sponsorship by the Grand Rapids Community Foundation, while creating an independent 501(c)3 organization
- Co-location with the Grand Rapids Area Chamber of Commerce

## Launched/Established

- Independent 501(c)3 organization with governing board
- Office located in Central School

## Budget

- Annual Operating budget \$138,000
- Start-up related expenses \$ \_\_\_\_\_
- 3-5 year funding commitments to support operations for operations
- Funding Sources
  - Memberships – individuals, small businesses
  - Sponsorships – community events, small business education, etc.
  - Fundraising event/activity
  - Foundation grants
  - Fees (booth fees at events)

## City/EDA/Grant funding

- Planning, engineering & design studies
- Public works, community development, parks & rec staff time
- Coordination with MNDOT
- EDA financing tools, support for grants & loans to businesses
- Infrastructure investments (e.g., signage, streetscape, lighting)



# Stakeholder Engagement

- Volunteers to serve on board & committees
- Financial support for the organization & events
- Advocacy with funders, grantors, city
- Honest feedback
- Publicity & support for opportunities, events, financing tools & downtown businesses
- Celebrate successes!!





# What's Next?

- Secure start up funding & volunteers
- Establish interim governance
- Fundraising
- Recruit & hire





**Discussion**

***Thank you!!***



*Creating Organizational Capacity to Support Downtown Grand Rapids*

*October 4, 2024*

**Financial support for Downtown Grand Rapids capacity building provided by**



## Acknowledgements

The following people gave generously of their time to visit five communities learning first-hand how these communities organized private and public resources to cultivate vibrant downtown areas.

<b>Downtown Tour Participants (April 29-May 2, 2024) Cambridge, Northfield, Owatonna, St. Peter, Hutchinson</b>	
Malissa Bahr	Grand Rapids Area Chamber of Commerce
Emily Bujold	Hotel/Boutique
Michelle Carlson	Ives Realty
Megan Christianson	Visit Grand Rapids
Amanda Lamppa	IEDC
Shannon Mann	UPM
Bill Martinetto	Rapids Brewing Co.
Amanda McCabe	Rapids Brewing Co
Brandon Otway	Free Range Food Coop
Rob Mattei	City of Grand Rapids
Tom Pagel	City of Grand Rapids
Matt Wegwerth	City of Grand Rapids
Janna King	Consultant

**Public Meetings:** Three meetings were held at Rapids Brewing Co. and City Hall in January, May and August to keep downtown stakeholders informed about the process. Approximately 45-50 people participated in these meetings.

The following people contributed to the preparation of this report. We are grateful for their ideas and their time.

<b>Report Advisors</b>	
Malissa Bahr	Grand Rapids Area Chamber of Commerce
Michelle Carlson	Ives Realty
Megan Christianson	Visit Grand Rapids
Shannon Mann	UPM
Bill Martinetto	Rapids Brewing Co.
Mindy Nuhring	Grand Rapids Area Community Foundation
Rob Mattei	City of Grand Rapids
Dan Swenson	City of Grand Rapids

Project Consultant: Janna King, CEcD, EDFP, Economic Development Services, Inc.

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## Creating Organizational Capacity for Downtown Grand Rapids

### Introduction

Based on extensive resident, visitor and business engagement, the Grow Grand Rapids 2040 Comprehensive Plan identified maintaining a vibrant downtown as a priority and recommended that Grand Rapids 2006 Downtown Plan be updated. In 2023, the Grand Rapids Economic Development Authority (GREDA) completed an Update to the Grand Rapids Downtown Plan. The lack of an organization to serve as a public-private coalition to support downtown was identified as a barrier to a healthy downtown area, and the establishment of such an organization was identified as a priority in the plan.

In January 2024, the EDA established an Advisory Committee of downtown stakeholders, comprised of business and property owners and anchor institutions in the community to advance the goal of creating organizational capacity to support and provide ongoing guidance to Downtown Grand Rapids. The Advisory Committee was charged with learning about how successful downtowns in peer communities cultivate vibrant downtown areas and make recommendations regarding a workplan, budget, and organizational capacity needed to support Downtown Grand Rapids. Members of the Advisory Committee participated in a three-day, two-night tour of five peer downtown areas in Minnesota to learn more about how communities organize to cultivate vibrant community centers. This report was informed by nationally recognized principles for successful downtown areas, the 2023 Downtown Plan Update, a consultant with recognized experience and success in downtown revitalization, and the experience and insights provided by members of the Advisory Committee. This report summarizes the process and recommendations of this group regarding the formation of a new downtown organization.

### Grand Rapids Downtown Alliance

The name Grand Rapids Downtown Alliance was chosen to reflect a coalition of public and private interests that care about Downtown Grand Rapids. Business owners, property owners and organizations that are located downtown are critical to the success of downtown organizations, and the engagement and support of the broader community is also very important and welcome. Downtown is the heart of the community. It reflects the history of Grand Rapids and holds many shared experiences and memories. It's a place where residents and visitors shop, dine, visit galleries, a dentist or an accountant, go to the library, meet friends and join with the community for music festivals or holiday events. A vibrant downtown creates a positive impression of the community, which is important to retaining and attracting residents and talent for area employers. The word "alliance" best reflects the coalition of interests that care about maintaining a vibrant downtown in Grand Rapids.

Downtown stakeholders will be actively involved in the Alliance in a variety of ways.

- Volunteering on the board, committees or at events
- Generating financial support for the organization and events
- Advocacy with funders, grantors, partners and the city
- Providing honest feedback
- Publicizing and supporting opportunities, events and downtown businesses
- Celebrating successes

## Organizational Structure and Office Space

Based on suggestions from the Advisory Committee, the consultant explored the potential to incorporate the downtown effort into existing non-profit organizations in the community rather than establish a separate non-profit corporation. Four potential non-profit sponsor/partners were approached: Itasca Economic Development Corporation (IEDC), Visit Grand Rapids, Grand Rapids Area Chamber of Commerce and the Grand Rapids Area Community Foundation. All four organizations are supportive of the effort and participated actively on the Advisory Committee and downtown tour. However, integrating a new downtown program into their operations was not a good fit for a variety of reasons including lack of a downtown office for two of the organizations; no additional staff capacity at IEDC; statutory limitations on hotel/motel tax funds administered by Visit Grand Rapids; and the broad regional scope (Duluth to Remer) of the Grand Rapids Area Chamber of Commerce. Although none of the organizations was able to offer a long term home for the downtown initiative, interim support was offered to help establish the Grand Rapids Downtown Alliance. Additionally, the Advisory Committee identified an important vulnerability for the downtown effort should it become a program of another entity – it would be subject to the decisions of board members or executive officers working for organizations with a different or broader mission or geographic scope. Establishing a non-profit with a clear focus on the mission to strengthen Downtown Grand Rapids is recommended.

A key component of organizational structure is securing leadership for the organization. A position description was prepared to clearly define the roles and responsibilities, skills and experience of an Executive Director.

### What's Next?

During a 6-18 month start-up period, the Grand Rapids Community Foundation is willing to serve as a fiscal sponsor while an independent 501(c)3 organization and related administrative capacity is being established. The position description is available to assist the Alliance in recruiting an individual with the appropriate skills and experience. The Grand Rapids Area Chamber of Commerce is willing to provide office space and assistance to the new executive

director during this 6-18 month startup period. The Advisory Committee will continue to guide the process until a successor governance process is established.

## Workplan and Budget

A preliminary workplan and related budget have been created to guide the start-up of the public-private Alliance by a consultant who is experienced in leadership of a downtown organization, chamber of commerce, civic center, visitor's bureau and economic development organizations. Development of the workplan and budget was guided by members of the Advisory Committee with insights from their experiences and communities visited on the tour.

## What's Next

During start-up the organization will require the support of the foundation community, area businesses and employers, and GREDA. Over the course of the initial 5 years it is expected to reduce its dependence on foundation support and transition to a financial base supported by memberships, sponsorships, fees, grants and fundraising activities.

Start-up expenses, including initial cash flow are projected to be \$\_\_\_\_\_. An annual operating budget of \$136,000 is recommended for the first year, with annual adjustments for inflation and short-term or one-time projects. Funding will be sought from foundations and anchor institutions and partners to support start-up.

The City expects to make substantial contributions to maintaining a healthy downtown through a variety of activities and departments including:

- Planning, engineering and design studies
- Coordination with MNDOT
- Staff time from the Public Works, Community Development, and Parks and Recreation Departments
- GREDA financing tools and support for grants and loans to businesses
- Infrastructure investments (e.g., streetscape, signage, lighting)





*Downtown Workplan*  
2025-2026

PRE

October 3, 2024

Financial support for Downtown Grand Rapids capacity building provided by



## Background

Based on extensive resident, visitor and business engagement, the Grow Grand Rapids 2040 Comprehensive Plan identified maintaining a vibrant downtown as a priority and recommended an update to the community's 2006 downtown plan. In 2023, the Grand Rapids Economic Development Authority (GREDA) completed an Update to the Grand Rapids Downtown Plan. To advance the goal of creating organizational capacity to support and provide ongoing guidance to Downtown Grand Rapids, the EDA established an Advisory Committee of downtown stakeholders, comprised of business and property owners and anchor institutions in the community. The Advisory Committee was charged with learning about how successful downtowns in peer communities cultivate vibrant downtown areas and make recommendations regarding a workplan, budget and organizational capacity needed to support Downtown Grand Rapids. Members of the Advisory Committee participated in a three-day, two-night tour of five peer downtown areas in Minnesota to learn more about how communities organize to cultivate vibrant community centers. The following workplan is based on nationally recognized principles for successful downtown areas, the 2023 Downtown Plan Update, and insights gathered by member of the Advisory Committee.

## Organization

**Lead Responsibility:** Executive Committee, Board with support from staff

Establish a public-private organization focused on long-term downtown vitality with the capacity to act strategically and respond to market challenges and opportunities. The organization should have a governing board and committees aligned with the workplan. Committees should meet as needed to accomplish workplan goals. Recommended committees include:

- Executive Committee to oversee organizational matters
- Finance and Technical Assistance
- Physical Design and Appearance
- Market Strategy Committee
- Activate! Committee
- Strategic Communications

### *Year One*

- a) Recruit and orient new board members
- b) Establish governance and good management processes

- c) Secure staff or contract leadership for the organization. Establish office. Secure other capacities as needed through memorandums of understanding or contracts with other organizations.
- d) Recruit people to serve on committees needed to support implementation of the workplan. Committee members should have relevant knowledge and provide public and private insights and guidance to implementation of the downtown plan.
- e) Begin implementation of the workplan
- f) Establish metrics for measuring progress and impact meaningful for Years 1- 5 to ensure the use of consistent metrics over time

#### *Year Two*

- a) Implement workplan with active board, committee, and staff leadership involvement
- b) Monitor progress and impact in preparation for first annual report to stakeholders and funders
- c) Prepare workplan for Year 3 and 4 with input from staff, board, committees and other stakeholders

## Finance and Technical Assistance

Maintain up-to-date financing and technical assistance tools and build awareness and understanding of these tools among business and property owners, entrepreneurs and advisors (e.g., accountants, bankers, real estate professionals, attorneys). Work with the Communications Committee to promote financing tools effectively to key audiences.

**Lead Responsibility:** Finance and Technical Assistance Committee and Grand Rapids EDA

#### *Year One*

- a) Engage lenders, small businesses and advisors in a discussion about financing challenges limiting downtown revitalization. Develop and update financing tools to respond to challenges and opportunities in Grand Rapids. Consider options of interest from 2024 tour of 5 downtowns. Identify potential sources of funding to capitalize the financing tools.
- b) Work with Communications Committee to promote the financing tools ensure awareness among businesses, entrepreneurs and their advisors.
- c) Collaborate with the Chamber and Itasca Economic Development Corporation (IEDC) to promote small business and entrepreneurial education and counseling.

#### *Year Two*

- a) Capitalize new financing tools through grants from public and foundation sources.

- b) Work with Communications Committee to promote the financing tools ensure awareness among businesses, entrepreneurs and their advisors.
- c) Work with the Chamber and IEDC to create a special focus on downtown entrepreneurship opportunities (e.g., business plan competition targeted to vacant & underutilized properties, building renovation “boot camp” for entrepreneurs)

## Physical Design and Appearance

Support the vitality of downtown by creating an attractive, safe and welcoming environment.

**Lead Responsibility:** Physical Design and Appearance Committee with support from Grand Rapids EDA, Community Development and Public Works staff

### *Year One*

- a) Create a wayfinding plan for bikes, pedestrians, mobility devices, and vehicles
- b) Consider overlay zones or ordinance modifications to support the guidance of the development districts identified in the Downtown Plan Update 2023
- c) Create design standards to facilitate development along active alleys, supporting primary access to businesses from an alley, pedestrian friendly and activation features.
- d) Facilitate investment and revitalization of the opportunity sites
  - Support development of a food cooperative on Block 36, owned by the EDA
  - Support efforts to secure funding to support physical revitalization of the Central School building and site that reflects market conditions and the overall context of the downtown plan
  - Support revitalization and redevelopment of EDA and privately owned properties identified in the 2023 Downtown Plan Update
  - Respond to emerging opportunities to revitalize or redevelop buildings and sites
- e) Work with MNDOT for planning and execution of
  - Wayfinding for pedestrians, bicycles, vehicles and mobility devices
  - Improvements to US 2 through Downtown
  - Redesign and restriping of US 169 between the Mississippi River and US 2
  - Redesign and construction of pedestrian and intersection improvements at US 2 and Pokegama/US 169 intersection to reduce free right movements & improvement pedestrian safety
  - Signage and signalization improvements
- f) Solidify the design standards and cross-section for the Downtown Circulator for future implementation and identify construction timing and funding

- g) Develop a plan for streetscape improvements, amenities and public art to attract residents and visitors, support the identity of downtown and the community, and encourage socialization. Include consideration of active alley spaces, downtown gateways, public restrooms, Itasca County Government Center Open Space and wayfinding into the plan.
- h) Integrate closure of sidewalk gaps throughout downtown into the city's capital improvement plan

#### *Year Two*

- a) Execute the Downtown Wayfinding Plan
- b) Contribute to the design and implementation of the Central School revitalization process
- c) Plan for and seek funding to implement the streetscape plan

## Activate!

Activate downtown through creation of destination features (e.g., public art, storywalk), hosting community events and a variety of public, private and non-profit events that attract diverse market segments and age groups throughout the year. Actively market and promote downtown.

**Lead Responsibility:** Downtown Activation Committee with support from staff and collaboration with businesses, individuals and organizations.

#### *Year One*

- a) Collaborate with Visit Grand Rapids, the Chamber, private businesses, and other community organizations to activate downtown through events and activities and a broad range of marketing and promotion strategies.
  - Plan the annual calendar of major events to attract diverse age groups and market segments throughout the year and distribute the workload associated with events among various organizations. (e.g., Tall Timber Days, Riverfest, and Holiday themed events)
  - Plan a calendar of smaller seasonal, monthly or weekly activities to activate downtown like Farmer's Markets, art crawls, summertime vintage autos, Food Truck Fridays or Third Thursday events for a diversity of age groups and market segments.
- b) Cultivate opportunities for residents and visitors to build memories and positive associations with downtown through low-cost and unscheduled engagement opportunities like the Storywalk along the Mississippi and the xylophones at KAXE.

Possibilities are vast and include gathering spaces, simple foods like popcorn and ice cream, activities like scavenger hunts, sculpture walk, artistic hopscotch, heritage walk, photo opportunities, and picnic locations. Actively market and promote these assets.

- c) Identify branding for downtown Grand Rapids that is an authentic representation of the community and will appeal to a broad cross section of residents and visitors. Identify key audiences for downtown Grand Rapids and the most effective strategies for reaching various audiences.
- d) Develop systems for measuring the impact of various events, activities and marketing strategies using surveys, Zartico data, and business feedback.

#### *Year Two*

- a) Implement the activation, branding, marketing, promotion and communications strategies identified in Year One. Monitor progress and impact, share information with stakeholders, identify opportunities to strengthen marketing and promotion performance and integrate into Year 3 and 4 workplans.

## Market Opportunities and Business Mix

Monitor market activity through data resources and surveys to identify underserved market opportunities with potential for downtown Grand Rapids through market studies, surveys and other strategies. Identify opportunities to make downtown Grand Rapids a more attractive destination for visitors and regional residents. Work with the communications committee to promote business opportunities to existing businesses, entrepreneurs and developers.

**Responsibility:** Market Strategy Committee with support from staff, consulting or academic resources

#### *Year One*

- a) Identify data resources that can be monitored on an ongoing basis to inform strategy and to identify trends and opportunities (e.g., MN Sales Tax data, Zartico data)
- b) Identify other research strategies that can be used periodically (e.g., regional resident and visitor surveys, business owner/manager surveys, event feedback)
- c) Consider the use of meaningful benchmarks (e.g., peer communities, peer events, regional sales/capita compared to Grand Rapids sales/capita)
- d) Begin tracking data and design survey instruments for use during an appropriate time of the year on a consistent, periodic basis

### Year Two

- a) Track, analyze and communicate customer traffic, sales, customer characteristics and benchmark data to downtown stakeholders
- b) Identify strategies and opportunities to strengthen the business mix in downtown
- c) Share data and insights related to activation strategies (e.g., events, attractions) with Activation Committee
- d) Provide trend data to the Communications Committee to be shared with downtown business owners and stakeholders for strategy purposes, and with entrepreneurs, developers, partners and prospective businesses to strengthen downtown marketing and promotion.

## Strategic Communications

Communicate with key external and internal audiences in a well-planned and timed manner. External audiences should include the general public - local and regional residents and visitors, and communication allies like Visit Grand Rapids and Explore Minnesota. Internal stakeholder audiences should include business and property owners, major employers, funders, and local philanthropic, non-profit and government leaders. Work closely with all committees to ensure that their work appropriately publicized and the Downtown Grand Rapids is actively marketed and promoted to key audiences.

**Lead Responsibility:** Communications Committee with support from staff

### Year One

- a) Develop downtown branding and create guidelines for its use
- b) Identify key audiences and messages for external audiences and internal stakeholder communications
- c) Identify tactics and timing appropriate for external audiences and activity (e.g., major events, seasonal events, on-going activities). Tactics might include print, social media, website, videos personal meetings, group meetings, signage, flyers, e-mail, purchased media, radio interviews, blogs, partner communications, etc. Use branding and key messages on a consistent basis.
- d) Develop systems and partnerships that will enable business and event sponsors to post and update event details efficiently.
- e) Develop lines of communication and processes to support the work of the downtown committees (e.g. Finance and Technical Assistance, Activate!, Market Opportunities and Business Mix)

- f) Identify processes for engaging and communicating with internal stakeholders re: economic data, performance metrics, analysis, strategy and strategy refinements.
- g) Late in Year One, update communications strategy for Year Two based on Year One experiences.

#### *Year Two*

- a) Prepare an annual report for Year One and share highlights at a meeting with key stakeholders and funders early in Year Two.
- b) Implement Year Two communications strategy reaching out to all key internal and external audiences.





## *Position Profile*

*Executive Director*

*Grand Rapids Downtown Alliance*

Grand Rapids Downtown Alliance, a new organization dedicated to the vitality of downtown Grand Rapids, MN is seeking qualified candidates to serve as its Executive Director.

## Overview

Grand Rapids Downtown Alliance is a new organization that is being created to respond to community interest in maintaining a vibrant downtown as a priority identified during the City of Grand Rapids Comprehensive Plan update in 2020. The subsequent 2023 Downtown Plan identified five key goals to support the continued vitality of Downtown Grand Rapids.

- Establish an organization of stakeholders, business & property owners.
- Keep a focus on downtown’s economic niche & strategic business mix.
- Optimize physical design & appearance to support economic niche & customer experience.
- Activate downtown with community events, flexible experiences like the riverfront story walk, and engagement within businesses (e.g., classes, events).
- Support investment with updated finance & technical assistance tools.

During start up the Downtown Alliance will be supported by the Grand Rapids Community Foundation, which will act as its fiscal sponsor, while the start-up organization transitions to becoming an independent 501(c)3 entity. The Grand Rapids Area Chamber of Commerce, located in the historic depot building downtown, will provide office space and host the organization during start-up. Central School, a historic property located in the heart of downtown and owned by the City of Grand Rapids, will serve as the office location for the Alliance following a 6-18 month start up period.



### Why is it important to create an organization to provide leadership to ensure downtown vitality?

Grand Rapids (pop.11,271) is an important regional center in North Central Minnesota for employment, retail, professional services, government, health care, education, tourism, arts and culture. A vibrant downtown can attract residents, visitors and the talented workforce needed by area employers. The downtown area embodies the region’s history and culture and is central to the community’s identity. It’s a place where positive, fun, shared experiences build a sense of community.

Like all downtown areas, it faces challenges related to the evolution of retail including the migration to highway-oriented big box formats and on-line shopping. Downtown areas include aging structures and infrastructure that need updating. Strategic guidance and energetic execution to achieve downtown goals requires an organization with dedicated staff capable of inspiring and coordinating engaged independent business and property owners and cultivating teamwork with local government and non-profit organizations.

## Role of the Downtown Alliance & its priorities

The Downtown Alliance brings downtown business and property owners, major employers and other private sector stakeholders together with the city, non-profit and philanthropic sectors to focus on long term downtown vitality. When fully operational, it will include an executive director, a governing board and engaged committees aligned with its initial 2-year workplan.

- Executive Committee to oversee organizational matters
- Finance and Technical Assistance Committee
- Physical Design and Appearance Committee
- Market Strategy Committee
- Activate! Committee
- Strategic Communications Committee



The executive director will be responsible for drawing on the talents and insights of downtown stakeholders in the planning and execution of actions to strengthen and maintain a vibrant community center.

### Market Strategy

The Market Strategy Committee maintains a long term focus on the economic niche of downtown and works with businesses and property owners to cultivate a business mix designed to attract a broad cross section of the resident and visitor population and help downtown strengthen and adapt to changes in the marketplace. Market activity is monitored through data resources, surveys and other strategies to identify downtown strengths, issues and opportunities. Information is reviewed with business owners, property owners and other stakeholders, and is shared more broadly with the support of the Communications Committee.

### Design and Appearance

The Design and Appearance Committee supports the vitality of downtown by creating an attractive, safe and welcoming environment. This involves private property as well as publicly owned infrastructure – alleys, sidewalks, trails and bike lanes, streets, highways, park areas, signage, public restroom access and streetscape elements like benches, flowers and banners.

### Finance and Technical Assistance

The Finance and Technical Assistance Committee works to ensure that up-to-date financing tools are available to maintain downtown vitality. The committee works to build awareness and understanding of these tools among business and property owners, entrepreneurs, developers and advisors (e.g., accountants, bankers, real estate professionals, attorneys).

## Activation!

The Activate! Committee stimulates downtown interest and vitality through the creation of destination features (e.g. public art, story walk), coordinating a downtown event calendar and providing support and promotion for a variety of public, private and non-profit events that attract diverse market segments and age groups throughout the year.

## The Role

Grand Rapids Downtown Alliance is seeking a leader who is a capable strategist and executor to serve as its first executive director. Under the guidance of the Alliance’s board of directors and the two-year workplan, the executive director will serve as a catalyst to maintain a thriving and sustainable downtown. As an ambassador of the organization, the executive director will provide energetic leadership to fulfill the organization’s workplan and be responsible for managing all aspects of the organization’s operations.

This is a fantastic opportunity to provide leadership in a Northern Minnesota regional center with a highly regarded quality of life – exceptional arts and culture, quality schools and health care, sports facilities and enviable outdoor recreation opportunities.

## Reporting Relationships

The Executive Director will report to the Grand Rapids Downtown Alliance Executive Committee and the Board of Directors.

## Key Responsibilities

The Executive Director will:

- Serve as a community leader, collaborator, visionary and alliance builder to ensure a vibrant downtown.
- Support business expansion and growth in downtown.
- Speak publicly and advocate on issues and opportunities that affect downtown and members of the Alliance as directed by the Executive Committee and Board of Directors.
- Promote Downtown Grand Rapids strategically and energetically through a variety of channels.
- Facilitate successful implementation of the organization’s workplan.
- Evaluate progress and impact of implementation activities.
- Cultivate engagement, strong communication and teamwork among downtown stakeholders, members and funders.
- Work with volunteers to build and sustain a solid base of members and sponsors who understand and believe in the impact and value of the organization.
- Organize regular meetings of the Executive Committee and Board of Directors in a way that draws on their talents, insights and expertise.
- Ensure fiscal soundness, transparency and a balanced budget.

## Ideal Candidate

The ideal Executive Director is a strategic, innovative leader capable of building effective working relationships with a variety of individuals and organizations. Relevant work experience includes working for private for-profit business or non-profit organizations, Chambers of Commerce, economic development or similar development-oriented organizations.

The ideal candidate will possess many of the following professional and personal abilities and attributes:

- A good listener who can identify challenges and opportunities and find solutions
- A strategic executor who is pro-active and results oriented
- An ambassador and enthusiast for Downtown Grand Rapids
- An effective bridge who understands the business, public, non-profit and philanthropic sectors
- An effective leader who understands the roles and teamwork involved with an engaged board of directors and volunteers
- A responsible manager who ensures that organizational tasks including routine financial management, annual workplan and budget, performance metrics and strategic communications are accomplished in a timely manner

The ideal candidate will have at least 5 years of experience working to inspire and drive business or community growth and vitality. The role will be largely “in person” at an office in downtown Grand Rapids and requires availability on some nights and weekends for meetings and events.

## Qualifications of an Ideal Candidate

- Bachelor’s degree in business, public policy, urban design, marketing, economics or related field or equivalent experience in a relevant field
- Prefer 5 years of experience in management within non-profit or for-profit businesses or 3 years working in downtown revitalization, economic development organization, chamber of commerce or visitors association.

For more information  
or to send your credentials, please email

\_\_\_\_\_.

All inquiries will remain confidential.

# Budget

1 Grand Rapids Downtown Alliance	Year One Budget	Year 3 Budget	Year 5 Budget	Notes
<b>REVENUE</b>				
4 GREDA contract				Owatonna EDA does \$50k contract. Entire EDA budget in Grand Rapids is \$75,000
5 Foundation grants				
6 Memberships (businesses, major employers, banks, professional services)	\$ 20,000			See detail in membership tab. \$20,000 year 1 = ~ same number of memberships as previous downtown org, but a higher \$ rate
7 Sponsorships	\$ 40,000			See detail in Sponsorship Tab. Owatonna does \$39k revenue (offset by \$19k expenses, noted below in expense section)
9 Chambe/City inkind	\$ 2,500	\$ 2,500	\$ 2,500	
10 In-kind				Owatonna chamber does \$32,500 in-kind with accounting, office space & support
11 Downtown fundraiser revenue				
12 Other				
<b>Total</b>	<b>\$ 62,500</b>			
<b>EXPENSES</b>				
<b>16 General operating expenses</b>				
17 Compensation	\$ 67,000	\$ 69,707	\$ 72,523	2024 compensation in Owatonna, non-profit salary ranges in GR region cited as \$65-75k
18 Payroll taxes	\$ 5,126	\$ 5,333	\$ 5,548	7.65% of compensation
19 Benefits - flex	\$ 3,500	\$ 3,641	\$ 3,789	1/2 of \$7,000 IRA, childcare, or health
20 Part time support for event & volunteer coordination		\$ -	\$ -	Owatonna gets support from the Chamber, city and visitor's organization
21 Professional fees (tax return, monthly financials, payroll)	\$ 4,300	\$ 4,474	\$ 4,654	Owatonna budget \$4,129
22 Communications	\$ 6,000	\$ 6,242	\$ 6,495	Owatonna advertising, social media, gift certificates for "Shop Small"
23 Insurance	\$ 1,260	\$ 1,311	\$ 1,364	Owatonna allocates \$1,260
24 Occupancy	\$ 2,500	\$ 2,601	\$ 2,706	\$15 psf x 180 SF
25 Office infrastructure (hardware, software, website, copier)	\$ 4,200	\$ 4,370	\$ 4,546	Owatonna 2024 budget
26 Phone	\$ 800	\$ 832	\$ 866	Owatonna 2024 budget
27 Postage and shipping	\$ 500	\$ 520	\$ 541	Owatonna 2024 budget
28 Bank fees	\$ 770	\$ 801	\$ 833	Owatonna 2024 budget
29 Memberships & subscriptions	\$ 2,500	\$ 2,601	\$ 2,706	MN and National Mainstreet Owatonna (\$2,500);
30 Training & development	\$ 725	\$ 754	\$ 785	MN Mainstreet conf registration \$225, travel/lodging/meals \$500
31 Expenses related to sponsored events, publications, donor recognition, etc.	\$ 19,000	\$ 19,768	\$ 20,566	Owatonna number for sponsorship related expenses - \$19,000
32 Downtown fundraiser expenses		\$ -	\$ -	
33 Build 6 month reserve over 5 years (recommended for non-profits)	\$ 13,500	\$ 14,045	\$ 14,613	In 5 years, the organization would have a 6-month reserve
34 Contingency (3%)	\$ 4,100	\$ 4,266	\$ 4,438	
35 <b>Total Gen Operating Expenses</b>	<b>\$ 135,781</b>	<b>\$ 141,266</b>	<b>\$ 146,973</b>	
<b>START UP &amp; SPECIAL PROJECT EXPENSES</b>				
38 Start up DT org				<b>Start up &amp; special project expenses</b>
39 Cash flow for start up				
40 Fundraising & start up support				
41 Start up related branding, website	\$ 20,000			Downtown Organization
42 Start up contract for data & survey instruments to inform strategy & start up market strategy committee	12,000			Downtown Organization
43 Start up office equipment, furnishings	2,500			\$2,500 year 1 & another \$2500 year 2 with the move - possible in kind contribution
44 <b>Total start up expenses</b>	<b>\$ 34,500</b>			

## Appendix

Grand Rapids Area Community Foundation Fiscal Sponsor Guidelines and Application Appendix p. 1

Grand Rapids Area Community Foundation Fiscal Sponsor Agreement Appendix p. 5

Memorandum of Agreement Regarding Shared Office Space Appendix p. 8



COMMUNITY  
FOUNDATION

GRAND RAPIDS AREA

## **Fiscal Sponsor Services Guidelines and Application**

The Grand Rapids Area Community Foundation may choose to provide fiscal sponsorship for charitable projects that fall within the mission of the Community Foundation. Fiscal sponsorship services include the provision of non-profit status to the project (thus making contributions tax-deductible), the receipting and managing of contributions, and the authorization and payment of grants from the fund. Fiscal sponsor services do not include fundraising support, financial support or extra administrative support beyond what is needed for incoming contributions and outgoing grants as mentioned above. The primary beneficiaries of fiscal sponsor services are typically new charities without an IRS determination letter or community groups planning a specific short-term project that is clearly charitable in nature.

An application form is available from the Community Foundation and should be submitted for review and approval. Applicants should discuss their project and applications with Community Foundation staff.

The Community Foundation staff reviews the application and may adopt the project as a program of the Grand Rapids Area Community Foundation. A fund bearing the project's name is established. The project is then accounted for as "The XYZ Project, a program of the Grand Rapids Area Community Foundation" for IRS auditing, financial reporting, marketing, and fundraising purposes.

As fiscal sponsor, the Community Foundation is legally responsible for the project's management and disbursement of funds. The Community Foundation staff approves payments/grants from the fund to carry out the purposes of the project. Typically, the Community Foundation assures programmatic oversight by authorizing an existing advisory group to fulfill the functions of project administration. A roster of the group should be forwarded to the Community Foundation.

The project advisory group makes recommendations to the Community Foundation for the specific expenditures. Community Foundation staff reviews the recommendations and authorizes payments. Payments are generally made within two weeks of receipt of recommendations.



The Community Foundation receives and acknowledges all gifts to the fund. The Community Foundation provides regular financial reports to the advisory group (either quarterly or annually, depending on your preference).

The project may apply to other funding sources under the auspices of the Grand Rapids Area Community Foundation, but the Community Foundation is not responsible for fundraising costs or for providing financial support for the project.

As compensation for its services, the Grand Rapids Area Community Foundation charges a fee of between 5% and 8% of all contributions received. In some cases, fees are calculated separately based on the amount of Community Foundation staff time required to administratively support the project. The fee schedule will be reviewed regularly (at least annually) and is subject to adjustment based on the level of required support. Any investment/interest earnings by the fund will accrue to the Community Foundation for administrative purposes.

For more information, call Mindy Nuhring, Executive Director at (221) 999-9100.



COMMUNITY  
FOUNDATION  
GRAND RAPIDS AREA

### Application for Fiscal Sponsorship

#### Organization Information

1. Individual, organization or group submitting request:

Name: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Phone: \_\_\_\_\_ Email: \_\_\_\_\_

Contact Person: \_\_\_\_\_

2. For what period of time is the Community Foundation being asked to serve as fiscal sponsor?

Begin date: \_\_\_\_\_ End date: \_\_\_\_\_

3. Has your group incorporated as a separate legal entity responsible for its own actions?  
*(Attached relevant correspondence)*

Yes \_\_\_\_\_ No \_\_\_\_\_

4. Does your organization plan to become recognized as non-profit by the IRS by obtaining its own 501(c)(3) status?

Yes \_\_\_\_\_ No \_\_\_\_\_

#### Project Description

1. What specific, charitable outcomes do you hope to accomplish?

2. Who is serving on the Advisory or Steering Committee for this project? (Please attach list.) Are any other groups or organizations involved in planning this effort?
  
3. The Community Foundation’s service area is the Greater Itasca County Area. What geographic “community”(ies) do you expect to benefit?
  
4. The Community Foundation strives to work with all sectors of the community. What specific groups of citizens do you expect to benefit?
  
5. What amount do you anticipate raising for this project, and why do you think these funds will be contributed? How do you plan to raise the money? Will you hold fundraising events?
  
6. Who will submit invoices or requests for grants to the Community Foundation for payment from the fund?

If it serves as your fiscal sponsor, the Community Foundation must ensure that the outcomes of your project are charitable. By signing this request, you are agreeing to provide the Grand Rapids Area Community Foundation response to periodic questions from the Community Foundation regarding activities of your project.

Print Name: \_\_\_\_\_

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Title or Capacity: \_\_\_\_\_

Questions regarding this application can be directed to  
Mindy Nuhring, Executive Director at (218) 999-9100 / [mindy.nuhring@gracf.org](mailto:mindy.nuhring@gracf.org)

**Please mail the completed application to:**

Grand Rapids Area Community Foundation  
350 NW 1<sup>st</sup> Street, Suite E  
Grand Rapids, MN 55744

**Or email a scanned pdf of the completed application to:**  
[mindy.nuhring@gracf.org](mailto:mindy.nuhring@gracf.org)

AGREEMENT TO ACT AS FISCAL SPONSOR FOR THE  
**Fund**  
 AT THE GRAND RAPIDS AREA COMMUNITY FOUNDATION

**THIS AGREEMENT**, dated this \_\_\_ day of \_\_\_ 2024 is made between \_\_\_\_\_ (the “Organization”) and the Grand Rapids Area Community Foundation (the “Foundation”) to establish a fund for charitable purposes. The Foundation agrees to act as fiscal sponsor for the Organization for the specific purpose to raise funds for the \_\_\_\_\_ in a charitable manner. The Foundation will hold the Fund and all additions to it from any sources as follows:

**1. Fund Establishment:**

- a. The Fund shall be established on the books of the Foundation and shall be identified as the \_\_\_\_\_ Fund in all relevant Foundation literature, reports, promotional material and public documents.
- b. The Fund shall be subject to the Articles of Incorporation and Bylaws of the Foundation, as they may amend them from time to time.
- c. The Fund shall be designated as a non-endowed, fiscal sponsorship fund.

**2. Designation of Purpose**

The purpose of establishing the \_\_\_\_\_ Fund is for the charitable purpose of \_\_\_\_\_.

**3. Distributions of income:** The Organization may request distributions be made from the Fund by written request to the Foundation according to the Foundation’s policy and procedure for requesting distributions.

- a. Requests for distributions must be approved by at least one authorized council member, as named here: \_\_\_\_\_
- b. All distributions will follow appropriate and approved Foundation and IRS guidelines for granting and distributions.

**4. Variance Power:**

- a. The Foundation board shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes if, in the sole judgment of the board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

- b. If the Organization ceases to be a qualified organization, the assets of the Fund shall be distributed with greatest consideration given to the out-going board of the Agency's recommendations, or, without a recommendation, for a purpose most closely resembling the original intent of the donors.
5. **Donations:**
- a. Gifts may be added to the Fund anytime. The Community Foundation may commingle the assets of the Fund with the assets of other funds held by the Community Foundation, provided the separate identity of the Fund will be maintained and distribution from the Fund will be clearly identified as such to the grantees.
  - b. The Organization is responsible for all fundraising for this project.
6. **Investment:** As a non-endowed, fiscal sponsorship, the fund will not be invested in the market nor will it take gains or losses.
7. **Services and Fees:** The Foundation shall provide all routine accounting and reporting to the Minnesota Attorney General and Internal Revenue Service regarding the Fund. The Foundation shall be entitled to reasonable compensation for management of the Fund in accordance with their regular fee schedule, which may change from time to time.
- a. The Fund's current fee structure is \_\_\_\_\_ that are received by the Fund. Any credit or debit card processing fees for donations to \_\_\_\_\_ that are not paid by the donor will be paid by the Fund. The Foundation reserves the right to adjust the Fund's fee structure from time to time, according to Foundation policy. A minimum of \$100 annual fee will be charged to the Fund.
8. **Responsibility:** The Foundation shall not be held responsible for any unpaid bills, for any unlawful actions from the Organization, or from fundraising activities not reported in advance to the Foundation in a timely fashion.
- a. The Organization is responsible for all reporting and submission of reports requested by groups, foundations or other entities providing grants to the Fund.
  - b. The Foundation will provide reports on Fund Activity to the Organization's designee, if requested, on a quarterly or annual basis.
9. **Property:** The Fund shall be the sole property of the Foundation held by it in its corporate capacity and will not be deemed a trust fund held by it in a trustee capacity. It

is intended the Fund will be a component fund of the Community Foundation and that nothing in the Agreement will affect the status of the Foundation as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. This Agreement will be interpreted in a manner consistent with the foregoing intention and to conform to any applicable requirements of the Internal Revenue Code and IRS Regulations.

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Organization Representative Name & Title	Signature	Date
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Organization Representative Name & Title	Signature	Date
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Foundation Representative Name & Title	Signature	Date
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**Memorandum of Agreement Regarding Shared Office Space  
between  
Depot Commons, the Grand Rapids Area Chamber of Commerce  
and  
Grand Rapids Downtown Alliance**

The purpose of this Memorandum of Agreement is to clarify the parameters and obligations related to shared office space being provided to Grand Rapids Downtown Alliance by Depot Commons during start-up of the organization.

**Background and Approach**

A civic initiative to strengthen the downtown area of Grand Rapids is being supported by public, private, philanthropic and non-profit partners in the community. This initiative has its genesis in the City of Grand Rapids Comprehensive Plan and 2023 Grand Rapids Downtown Alliance Plan Update. The downtown plan identified the formation of an organization devoted to downtown as one of five key goals to strengthening downtown as vibrant, healthy community asset. Community members indicated that an all-volunteer effort is insufficient and unlikely to meet with much success, and that a staff person should be hired to provide leadership for the initiative.

In response, the City of Grand Rapids received grant funds from the Blandin Foundation and IRR to assist with the formation of an organization to provide leadership and guidance to downtown revitalization efforts. A consultant was retained and an Advisory Committee formed to develop a workplan, budget, position description, governance structure and address start-up considerations including office space. The Advisory Committee and consultant recommend that during an initial period of 6-18 months a new staff person would benefit from the support available from co-locating with the Grand Rapids Area Chamber of Commerce in space owned by Depot Commons. After the start-up period, relocation of the downtown organization to Central School is recommended to bring greater focus to revitalization of Central School and the surrounding grounds, which are an important and underutilized downtown asset.

It is the intent of Depot Commons and the Grand Rapids Area Chamber of Commerce to assist with the start-up of Grand Rapids Downtown Alliance by providing a hospitable, supportive environment for the organization and the new staff person.

**1. Term:**

The anticipated term of this agreement will be 6-18 months.

**2. Office space:**

Depot Commons will make a private office space of approximately \_\_\_\_\_ square feet available to Grand Rapids Downtown Alliance, including all utilities, wi-fi, cleaning and trash collection valued at \$\_\_\_\_\_ as an in-kind contribution. (or identify a monthly cost)

**3. Access to shared facilities and spaces:**

Grand Rapids Downtown Alliance will have access to all shared spaces including lobby/reception, breakroom, restrooms, conference areas and staff parking. Conference space shall be reserved in accordance with standard office procedures.

**4. Access to Equipment:**

Grand Rapids Downtown Alliance will establish a separate **phone** number.  
Grand Rapids Downtown Alliance will have access to the **copy machine**. Procedures will be established to identify and charge Grand Rapids Downtown Alliance monthly for the number of photocopies used. Grand Rapids Downtown Alliance will be responsible for providing its own computer, printer, software and related **technology** to ensure data security and back-up.

**5. Insurance:**

Depot Commons, the Grand Rapids Area Chamber of Commerce and Grand Rapids Downtown Alliance will consult with their boards and qualified insurance agents to determine the best approach to provide adequate insurance for all parties.

**6. Reception and other administrative services:**

Grand Rapids Downtown Alliance will have access to reception/information center services at the Chamber during regular business hours subject to staff availability.  
The executives of Chamber of Commerce and Grand Rapids Downtown Alliance are expected to discuss and reach a shared understanding of the appropriate level of day-to-day support. They may also consider and reach agreement on higher levels of support when the organizations share a commitment to certain events and activities. If necessary, the executives can reach out to their boards to secure appropriate approvals or compensation.

\_\_\_\_\_  
Signed Date Signed Date

\_\_\_\_\_  
Title – for Depot Commons Title – for Grand Rapids Area Chamber of Commerce

\_\_\_\_\_  
Signed Date

\_\_\_\_\_  
Title – for Grand Rapids Downtown Alliance





# REQUEST FOR GRAND RAPIDS EDA ACTION

**AGENDA DATE:** October 10, 2024

**STATEMENT OF ISSUE:** Consider the adoption of a resolution approving a Preliminary Development Agreement between GREDA and Commonwealth Real Estate Acquisitions, LLC

**PREPARED BY:** Rob Mattei

**BACKGROUND:**

The Commonwealth Companies, headquartered out of Fond du Lac, Wisconsin, is an affordable housing developer with development offices also in Georgia, Michigan, Ohio, Pennsylvania, and Tennessee.

Commonwealth has proposed the development of a 32-unit apartment on a city-owned 1.85-acre R-4 (Multi-family Residential) zoned parcel located on the 1000 block of 4<sup>th</sup> Ave. SE. Their intent is to apply for Low-Income Housing Tax Credits (LIHTC), through Minnesota Housing Agency, for this project.

The LIHTC program is the nation’s largest source of funding for affordable housing construction. The LIHTC program provides an incentive for developers to construct below-market-rate housing. The tax credit expires after 30 years. Beginning in 1987, LIHTC helped finance ten multi-family developments with 358 low-income units in Grand Rapids. By 2040, the tax credit will have expired for most of these units.

Table 5.3 provides a summary of the program’s use in Grand Rapids.

Table 5.3. LIHTC Units in Grand Rapids

Development	Total Units	LIHTC Units	Credit Allocation Year
Grand Manor (215 SW 15 <sup>th</sup> St)	40	20	1987*
Pokegama Square Apartments	20	20	1988*
Grand Manor (227 SW 13 <sup>th</sup> St)	33	32	1990*
Oakwood Terrace	24	24	1996**
Oakwood Terrace II	24	23	1999**
Grand Plaza	35	35	2006**
Grand Manors II and III	56	56	2009**
Oakwood Terrace III	24	24	2004**
Woodland Manor	24	24	2013
Pine Ridge Apartments	100	100	2015
<b>Total</b>	<b>380</b>	<b>358</b>	–

According to the recently completed Itasca County Housing Study, there is a need for 135-146 units of Affordable Rental Housing in the Grand Rapids Sub-market between 2024-2029. If the projects proposed by Yanmar Compact Equipment, Hwy 35, Mesabi Metallics and MN Technology were to all come to fruition, and additional 540 units of Affordable Rental Housing will be needed in the same timeframe.

**Comprehensive Housing Study**  
 Itasca County  
 August 8, 2024

**ES4 Long-Term Housing Demand Summary for Itasca County, 2024-2035 (Continued)**

	Grand Rapids Sub.		Deer River/NW Sub.		Nashwauk Sub.		Northeast Sub.		Southeast Sub.		Itasca County Total	
	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035
<b>General Occupancy Rental Housing</b>												
<b>Affordable Rental Housing Units</b>												
Up to 50% AMI	75 - 80	20 - 20	15 - 20	0 - 10	20 - 30	10 - 10	10 - 15	0 - 0	0 - 5	0 - 0	125 - 130	30 - 40
50% to 60% AMI	60 - 65	20 - 20	10 - 15	0 - 0	10 - 15	0 - 0	0 - 5	0 - 0	0 - 5	0 - 0	85 - 90	20 - 20
<b>Workforce Rental Housing</b>												
60% to 80% AMI	65 - 70	20 - 20	5 - 10	0 - 0	10 - 15	0 - 0	0 - 5	0 - 0	0 - 5	0 - 0	85 - 90	20 - 20
<b>Market-Rate Rental Units</b>												
Market Rate Low	20 - 25	10 - 10	0 - 5	0 - 0	0 - 5	0 - 0	0 - 5	0 - 0	0 - 0	0 - 0	25 - 30	10 - 10
Market Rate High	20 - 25	10 - 10	0 - 5	0 - 0	0 - 5	0 - 0	0 - 5	0 - 0	0 - 0	0 - 0	25 - 30	10 - 10
<b>Total GO Rental Units</b>	<b>240 - 265</b>	<b>80 - 80</b>	<b>30 - 55</b>	<b>0 - 10</b>	<b>40 - 70</b>	<b>10 - 10</b>	<b>10 - 35</b>	<b>0 - 0</b>	<b>0 - 15</b>	<b>0 - 0</b>	<b>345 - 370</b>	<b>90 - 100</b>
<b>Senior Housing</b>												
<b>Affordable Senior Housing</b>	35 - 40	20 - 20	15 - 20	10 - 10	15 - 20	10 - 10	5 - 10	0 - 10	0 - 5	0 - 0	75 - 80	40 - 50
<b>Market-Rate Active Adult</b>												
For-Sale Senior Housing	30 - 35	15 - 20	10 - 15	5 - 10	10 - 15	5 - 10	10 - 15	5 - 10	0 - 5	0 - 0	65 - 70	30 - 50
Rental Senior Housing	10 - 15	10 - 10	0 - 5	0 - 0	5 - 10	0 - 10	5 - 10	0 - 10	0 - 5	0 - 0	25 - 30	10 - 30
<b>Market-Rate Independent Living</b>	10 - 15	10 - 10	5 - 10	5 - 10	5 - 10	0 - 10	0 - 5	0 - 0	0 - 5	0 - 0	25 - 30	15 - 30
<b>Market-Rate Assisted Living</b>												
Assisted Living	5 - 10	0 - 10	5 - 10	0 - 10	5 - 10	0 - 10	0 - 5	0 - 0	0 - 5	0 - 0	20 - 25	0 - 30
Memory Care	10 - 15	10 - 10	5 - 10	0 - 10	5 - 10	0 - 10	5 - 10	0 - 10	0 - 5	0 - 0	30 - 35	10 - 40
<b>Total Senior Units</b>	<b>100 - 130</b>	<b>65 - 80</b>	<b>40 - 70</b>	<b>20 - 50</b>	<b>45 - 75</b>	<b>15 - 60</b>	<b>25 - 55</b>	<b>5 - 40</b>	<b>0 - 30</b>	<b>0 - 0</b>	<b>240 - 270</b>	<b>105 - 230</b>
<b>Total Units</b>	<b>455 - 535</b>	<b>175 - 200</b>	<b>90 - 170</b>	<b>25 - 70</b>	<b>120 - 205</b>	<b>30 - 80</b>	<b>50 - 120</b>	<b>5 - 40</b>	<b>0 - 60</b>	<b>0 - 0</b>	<b>795 - 875</b>	<b>235 - 390</b>

\* Because the demand calculations are done for the county as a whole then pushed to the Submarkets, the estimate ranges for the Submarkets do not always total to the county.

Source: LOCI Consulting LLC



**ES5 Long-Term Housing Demand Summary for Itasca County, Assuming New Economic Development Projects, 2024-2035**

	Grand Rapids Sub.		Deer River/NW Sub.		Nashwauk Sub.		Northeast Sub.		Southeast Sub.		Itasca County Total	
	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035	2024-2029	2030-2035
<b>General Occupancy Rental Housing</b>												
<b>Affordable Rental Housing Units</b>												
Up to 50% AMI	300	60	30	10	50	10	10	0	0	0	410	80
50% to 60% AMI	240	50	20	0	30	10	0	0	0	0	280	60
<b>Workforce Rental Housing</b>												
60% to 80% AMI	260	50	10	0	30	10	0	0	0	0	280	60
<b>Market-Rate Rental Units</b>												
Market Rate Low	90	20	0	0	10	0	0	0	0	0	90	20
Market Rate High	90	20	0	0	10	0	0	0	0	0	90	20
<b>Total GO Rental Units</b>	<b>980</b>	<b>200</b>	<b>60</b>	<b>10</b>	<b>130</b>	<b>30</b>	<b>10</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,150</b>	<b>240</b>
<b>Senior Housing</b>												
<b>Affordable Senior Housing</b>	35 - 40	20 - 20	15 - 20	10 - 10	15 - 20	10 - 10	5 - 10	0 - 10	0 - 5	0 - 0	75 - 80	40 - 50
<b>Market-Rate Active Adult</b>												
For-Sale Senior Housing	30 - 35	15 - 20	10 - 15	5 - 10	10 - 15	5 - 10	10 - 15	5 - 10	0 - 5	0 - 0	65 - 70	30 - 50
Rental Senior Housing	10 - 15	10 - 10	0 - 5	0 - 0	5 - 10	0 - 10	5 - 10	0 - 10	0 - 5	0 - 0	25 - 30	10 - 30
<b>Market-Rate Independent Living</b>	10 - 15	10 - 10	5 - 10	5 - 10	5 - 10	0 - 10	0 - 5	0 - 0	0 - 5	0 - 0	25 - 30	15 - 30
<b>Market-Rate Assisted Living</b>												
Assisted Living	5 - 10	0 - 10	5 - 10	0 - 10	5 - 10	0 - 10	0 - 5	0 - 0	0 - 5	0 - 0	20 - 25	0 - 30
Memory Care	10 - 15	10 - 10	5 - 10	0 - 10	5 - 10	0 - 10	5 - 10	0 - 10	0 - 5	0 - 0	30 - 35	10 - 40
<b>Total Senior Units</b>	<b>100 - 130</b>	<b>65 - 80</b>	<b>40 - 70</b>	<b>20 - 50</b>	<b>45 - 75</b>	<b>15 - 60</b>	<b>25 - 55</b>	<b>5 - 40</b>	<b>0 - 30</b>	<b>0 - 0</b>	<b>240 - 270</b>	<b>105 - 230</b>
<b>Total Units</b>	<b>1,610 - 1,640</b>	<b>365 - 380</b>	<b>140 - 170</b>	<b>40 - 70</b>	<b>295 - 325</b>	<b>65 - 110</b>	<b>55 - 85</b>	<b>5 - 40</b>	<b>0 - 30</b>	<b>0 - 0</b>	<b>2,120 - 2,150</b>	<b>475 - 600</b>

\* Because the demand calculations are done for the county as a whole then pushed to the Submarkets, the estimate ranges for the Submarkets do not always total to the county.

Source: LOCI Consulting LLC



Commonwealth has submitted a Letter of Intent (LOI) addressed to GREDA proposing a purchase of this property at the fair market value of \$165,000 for the purpose of the described project. This LOI is referenced in the attached Preliminary Development Agreement. The Preliminary Development Agreement, designates Commonwealth as the sole developer of the property for the term of the Agreement, which is 180 days from execution, which will permit them to an opportunity to conduct due diligence and determine if the proposed project will result in a competitive application.

The City Council will be asked to convey this property to GREDA on October 14<sup>th</sup>. Therefore, GREDA’s approval of this resolution should be contingent upon that action by the City Council.

**RECOMMENDATION:**

Pass a motion to approve the adoption of a resolution approving a Preliminary Development Agreement between GREDA and Commonwealth Real Estate Acquisitions, LLC contingent upon City of Grand Rapids conveying the site to GREDA.

**REQUIRED ACTION:**

Pass a motion to approve the adoption of a resolution approving a Preliminary Development Agreement between GREDA and Commonwealth Real Estate Acquisitions, LLC contingent upon City of Grand Rapids conveying the site to GREDA.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

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

RESOLUTION APPROVING PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND COMMONWEALTH REAL ESTATE ACQUISITIONS, LLC

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

1. Background.

1.01. The Authority intends to acquire certain real property located in the City of Grand Rapids, Minnesota, (PID No. 91-028-1208) and legally described on Exhibit A attached hereto (“Property”) from the City.

1.02. The Authority and Commonwealth Real Estate Acquisitions, LLC, a Wisconsin limited liability company, or an entity related thereto or affiliated therewith (“Developer”) have determined to enter into a preliminary development agreement (“PDA”), providing for the negotiation of a definitive purchase and development agreement that will address, among other things, the sale of the Property by the Authority to the Developer and the construction by the Developer of affordable multi-family housing on the Property.

1.03. The Board of Commissioners has reviewed the PDA, and has determined that it is in the best interests of the Authority to approve and execute the PDA.

2. Approval of PDA.

2.01. The Board of Commissioners approves the PDA in substantially the form presented to it, and authorizes and directs the President and Executive Director to execute the PDA, 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 PDA by such officials will be conclusive evidence of their approval.

2.02. Authority staff and officials are authorized to take any other actions necessary to carry out the Authority’s obligations under the PDA, and to bring a proposed definitive development contract before the Authority.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this \_\_\_\_ day of \_\_\_\_\_, 2024.

\_\_\_\_\_  
President

ATTEST:  
\_\_\_\_\_  
Secretary

**EXHIBIT A****Legal Description of the Property**

That part of Government Lot 2, Section 28, Township 55 North, Range 25 West of the Fourth Principal Meridian, described as follows: Commencing at the southwest corner of said Lot 2; thence EAST, assumed bearing along the south line of said Lot 2, a distance of 910.39 feet; thence North 0 degrees 03 minutes 10 seconds West 240.00 feet; thence North 30 degrees 06 minutes 48 seconds West 105.20 feet to the point of beginning of the tract to be described; thence North 30 degrees 06 minutes 48 seconds West 369.58 feet to intersect the west line of the east 662.65 feet of said Lot 2; thence South 0 degrees 05 minutes 42 seconds West 151.84 feet along said west line to its intersections with the south line of the north 160.00 feet of the south half of said Lot 2; thence North 89 degrees 53 minutes 16 seconds West 400.50 feet along said south line of the north 160.00 feet to its intersection with the easterly line of 4th Avenue Southeast according to the plat of CLOVER SECOND ADDITION TO GRAND RAPIDS, according to the plat thereof on file and of record in the office of the County Recorder, Itasca County, Minnesota; thence South 29.69 feet along said easterly line; thence continuing long said easterly line, along a curve concave to the northwest, central angle 28 degrees 16 minutes 09 seconds, radius 155.70 feet, for a distance of 76.82 feet; thence South 74 degrees 55 minutes 43 seconds East 46.35 feet; thence easterly 28.97 feet along a curve, concave to the north, central angle 15 degrees 05 minutes 16 seconds, radius 110.00 feet; thence North 89 degrees 59 minutes 01 seconds East 245.53 feet; thence southeasterly 52.36 feet, along a curve, concave to the southwest, central angle 60 degrees 00 minutes 00 seconds, radius 50.00 feet; thence South 17 degrees 07 minutes 45 seconds East 25.58 feet along a non-tangential line; thence East 234.98 feet to the point of beginning.

## PRELIMINARY DEVELOPMENT AGREEMENT

**THIS AGREEMENT**, made and entered into this \_\_\_ day of October, 2024, by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (“Authority”) and COMMONWEALTH REAL ESTATE ACQUISITIONS, LLC, a Wisconsin limited liability company (“Developer”):

### RECITALS

**WHEREAS**, the Authority intends to acquire approximately 1.8 acres of property located within the City of Grand Rapids, Minnesota (the “City”), (PID No. 91-028-1208) described on the attached Exhibit A (the “Property”) from the City; and

**WHEREAS**, the Developer has submitted a letter of intent for the purchase of the Property attached as Exhibit B (the “Proposal”) to acquire the Property and construct affordable multi-family housing (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.

**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 Agreement (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 and the Developer 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 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) 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.
- (h) 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 Developer'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.** In the event that the Developer seeks public financial assistance for the Project, 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 any planning approvals necessary for the Property and the cost of financial advisors, attorneys, engineering and planning and environmental consultants. Notwithstanding the foregoing, each party shall pay for its own 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.

If the Authority terminates the Agreement under this Section 8, the Developer shall remain liable to the Authority under Section 6 of this Agreement for administrative costs incurred by the Authority through the effective date of termination.

**Section 9. Remedies.** In the event that the Developer, its 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: Commonwealth Real Estate Acquisitions, LLC  
24 S. Brooke St.  
Fond du Lac, WI 54935  
Attn: Commonwealth Holdings II, LLC

(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.

COMMONWEALTH REAL ESTATE  
ACQUISITIONS, LLC

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

GRAND RAPIDS ECONOMIC  
DEVELOPMENT AUTHORITY

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

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

**EXHIBIT A****Legal Description of the Property**

That part of Government Lot 2, Section 28, Township 55 North, Range 25 West of the Fourth Principal Meridian, described as follows: Commencing at the southwest corner of said Lot 2; thence EAST, assumed bearing along the south line of said Lot 2, a distance of 910.39 feet; thence North 0 degrees 03 minutes 10 seconds West 240.00 feet; thence North 30 degrees 06 minutes 48 seconds West 105.20 feet to the point of beginning of the tract to be described; thence North 30 degrees 06 minutes 48 seconds West 369.58 feet to intersect the west line of the east 662.65 feet of said Lot 2; thence South 0 degrees 05 minutes 42 seconds West 151.84 feet along said west line to its intersections with the south line of the north 160.00 feet of the south half of said Lot 2; thence North 89 degrees 53 minutes 16 seconds West 400.50 feet along said south line of the north 160.00 feet to its intersection with the easterly line of 4th Avenue Southeast according to the plat of CLOVER SECOND ADDITION TO GRAND RAPIDS, according to the plat thereof on file and of record in the office of the County Recorder, Itasca County, Minnesota; thence South 29.69 feet along said easterly line; thence continuing long said easterly line, along a curve concave to the northwest, central angle 28 degrees 16 minutes 09 seconds, radius 155.70 feet, for a distance of 76.82 feet; thence South 74 degrees 55 minutes 43 seconds East 46.35 feet; thence easterly 28.97 feet along a curve, concave to the north, central angle 15 degrees 05 minutes 16 seconds, radius 110.00 feet; thence North 89 degrees 59 minutes 01 seconds East 245.53 feet; thence southeasterly 52.36 feet, along a curve, concave to the southwest, central angle 60 degrees 00 minutes 00 seconds, radius 50.00 feet; thence South 17 degrees 07 minutes 45 seconds East 25.58 feet along a non-tangential line; thence East 234.98 feet to the point of beginning.

**EXHIBIT B**

**Proposal**

*[on following page]*



September 27, 2024

Grand Rapids Economic Development Authority (GREDA)  
420 N Pokegama Ave  
Grand Rapids, MN 55744

Attn: Rob Mattei  
Director of Community Development  
rmattei@grandrapidsmn.gov  
218-326-7622

RE: Letter Of Intent For +/- 1.8 Acres on SE 10<sup>th</sup> St, Grand Rapids, MN Itasca County Parcel ID 91-028-1208 ("Property").

Dear Rob,

The purpose of this correspondence is to confirm that Commonwealth Real Estate Acquisitions, LLC, a Wisconsin limited liability company and/or its assigns ("Commonwealth" or "Buyer") is interested in acquiring the Property from the Grand Rapids Economic Development Authority (GREDA) ("Seller"). This Letter of Intent will also confirm that we wish to commence negotiating a definitive written real estate purchase agreement (the "Purchase Agreement") providing for the purchase and sale of the Property. To facilitate the negotiation of a Purchase Agreement Buyer will prepare an initial draft. The execution of any Purchase Agreement would be subject to the satisfactory completion of Buyers' ongoing investigation of the Property and its intended uses. Buyer and Seller may be referred to herein individually as a "Party" or collectively as "the Parties."

### **REAL ESTATE PURCHASE AGREEMENT TERMS AND CONDITIONS**

Based upon the information currently known to the Parties, it is proposed that the Purchase Agreement would include the following terms:

1. Basic Transaction. Seller owns the Property and shall sell the Property to Buyer, and Buyer shall have the exclusive right to purchase the Property from Seller, pursuant to the covenants, provisions and other terms and conditions contained in the Purchase Agreement. Buyer intends to use the Property as affordable multi-family housing (the "Intended Uses"). The Property commonly known as +/- 1.8 Acres on SE 10<sup>th</sup> St, Grand Rapids, MN Itasca County Parcel ID 91-028-1208.
2. Purchase Price. The purchase price for the Property shall be \$165,000 (the "Purchase Price").

Very truly yours,

Commonwealth Real Estate Acquisitions, LLC  
and/or its assigns

Ted Goltzman, VP of Development