



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, November 14, 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, November 14, 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 minutes from the Thursday, October 24th, 2024 regular meeting.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$159,345.82

PUBLIC HEARING

3. Conduct a public hearing to consider the sale of Lot 1, Block 1, Great River Acres to Oppidan for the Grand Rapids Workforce Housing Project.

BUSINESS

4. Consider adoption of a resolution approving conveyance of certain property owned by GREDA and the corresponding Purchase Agreement between GREDA and Oppidan Investment Company and supporting the provision of certain financial assistance for the Grand Rapids Workforce Housing Project
5. Consider the approval of a Commercial Building Improvement Loan, a Downtown Mandated Building Improvement Loan and a Redevelopment Loan for the renovation of the commercial building at 12 NE 3rd St.
6. Consider award of a proposal submitted by Braun Intertec for the preparation of a hazardous materials inspection of the former ISD 318 Administration Building at 820 NW 1st Avenue.
7. 2025 Work Plan Development

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, October 24, 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 24, 2024 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

President Sholom Blake
Commissioner Wayne Bruns
Commissioner Bill Martinetto
Commissioner Molly MacGregor

ABSENT

Commissioner Al Hodnik
Commissioner Tom Sutherland
Commissioner Malissa Bahr

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 approving the minutes from the October 10, 2024 regular meeting.

Motion by Commissioner Bruns, second by Commissioner Martinetto to approve the minutes from the October 10, 2024 regular meeting. The following voted in favor thereof: Martinetto, Blake, MacGregor, Bruns. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approving claims in the amount of \$614.69.

Motion by Commissioner MacGregor, second by Commissioner Bruns to approve claims in the amount of \$614.69. The following voted in favor thereof: Bruns, MacGregor, Blake, Martinetto. Opposed: None, motion passed unanimously.

UPDATES

SE 4th Avenue- The City has conveyed the property to the GREDA and the developer has provided a rendering showing the proposed 32 unit apartment building. They have applied for MHFA credits but won't know the outcome until July of 2025.

Hwy 2 Corridor- There was a kick off meeting for the MNDOT study held at Yanmar Arena that was very well attended. The consultant is looking to hold a kick off meeting in November for the land use study.

ADJOURN

There being no further business the meeting adjourned at 4:09 p.m.

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

DATE: 11/08/2024
 TIME: 12:10:55
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 11/14/2024

VENDOR #	NAME	AMOUNT DUE
EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
0215460	BOLTON & MENK, INC	2,955.00
1105530	KENNEDY & GRAVEN, CHARTERED	369.50
1920240	CHAD B STERLE	195.00
TOTAL MISCELLANEOUS PROJECT		3,519.50
AIRPORT SOUTH INDUSTRIAL PARKS		
1105530	KENNEDY & GRAVEN, CHARTERED	705.00
2009800	THE TITLE TEAM	148,963.05
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		149,668.05
DWTOWN PLAN PJT-BLANDIN GRNT		
0504100	ECONOMIC DEVELOPMENT SERVICES	2,755.61
TOTAL DWTOWN PLAN PJT-BLANDIN GRNT		2,755.61
GREAT RIVER ACRES DEV		
0718060	GRAND RAPIDS HERALD REVIEW	69.00
TOTAL GREAT RIVER ACRES DEV		69.00
FOREST LK SCH REDEVELOPMENT		
1105530	KENNEDY & GRAVEN, CHARTERED	215.50
TOTAL FOREST LK SCH REDEVELOPMENT		215.50
L&M DISTRIBUTION CENTER		
1900225	SEH	2,576.67
TOTAL L&M DISTRIBUTION CENTER		2,576.67
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$158,804.33
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1621130	P.U.C.	59.04
2209665	VISA	482.45
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$541.49
TOTAL ALL DEPARTMENT		\$159,345.82



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: November 14, 2024

STATEMENT OF ISSUE: Conduct a public hearing to consider the sale of Lot 1, Block 1, Great River Acres to Oppidan for the Grand Rapids Workforce Housing Project.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

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

RECOMMENDATION:

Conduct a public hearing to consider the sale of Lot 1, Block 1, Great River Acres to Oppidan for the Grand Rapids Workforce Housing Project.

Public Hearing protocol:

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

Close the public hearing.

REQUIRED ACTION: Conduct a public hearing to consider the sale of Lot 1, Block 1, Great River Acres to Oppidan for the Grand Rapids Workforce Housing Project.



Public Hearing
Sale of Lot 1, Block 1, Great River Acres

Oppidan Inc.
Grand Rapids Workforce Housing Project

November 14, 2024



Project Background

- **Oppidan Inc. of Excelsior, MN (Developer) filed an application for Business Assistance requesting Tax Increment Financing (TIF) to partially address a financial gap in a proposed housing development.**
- **Project Scope – The Developer’s application detailed a proposal for the construction of a 132-unit market rate apartment development with rents and unit mix designed for providing workforce housing.**
- **Project Timeline and Cost - The project is proposed to begin in the spring of 2025, contingent upon this business assistance and an award from Minnesota Housing Finance Agency Workforce Housing Development Program. The estimated total development cost is approximately \$33 million.**
- **Project Location – The project is proposed to be located on an appropriately zoned 15-acre GREDA owned parcel in the plat of Great River Acres.**



Project Background

Map of City Development District



Legend
City Limits/Development District

0 0.2 0.4 0.8 1.2 1.6 Miles





Project Background

Grand Rapids Workforce Housing Project - Proximity to Major Employers





Project Background

Elevations





Project Background



Interior Finish Examples



Project Background



Interior Finish Examples



Project Background

Project Sources and Uses:

Sources/Revenue:		Uses/Development Costs:	
First Mortgage	\$13,762,000	Special Assessments for Infrastructure	\$412,000
TIF Mortgage	\$1,369,000	Construction Costs	\$28,624,401
Equity	\$8,011,653	Professional Fees and Permits	\$1,286,288
MHFA WF Housing	\$7,946,500	Financing Costs	\$1,281,464
Tax Abatement	\$715,000	Development Fee (3.1%)	\$1,000,000
IRRRB	\$800,000	Acquisition	\$585,000
Land Write-Down GREDA	\$585,000		
Total:	\$33,189,153	Total:	\$33,189,153



Project Background

Current and Future Assessed Value Estimate:

	Base Value – Pay 2022 (Itasca County Assessor)	Future (Itasca County Assessor)
Land Value (15.0 acres)	\$46,500	\$566,400
Building Value	\$0	\$12,297,400
Total Value	\$46,500	\$12,863,400
Annual Property Taxes (Pay 2023 Rate)	Exempt	\$253,779



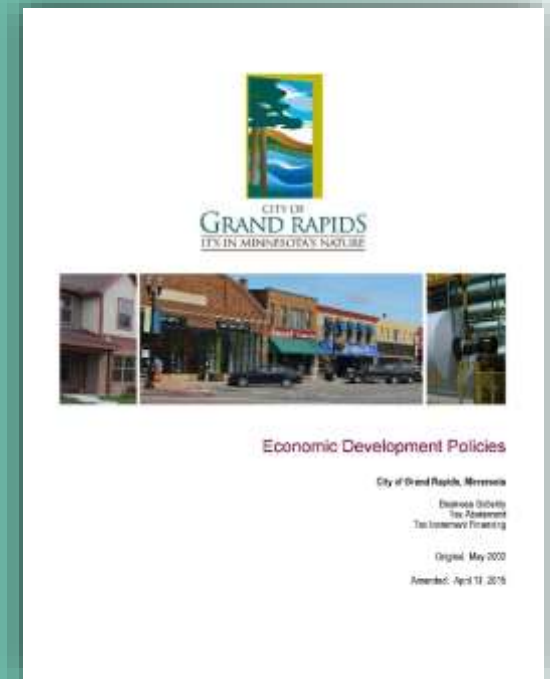
TIF & Abatement Business Assistance

- **The proposed TIF district would be an Economic Development District which has a maximum term of 9 years.**
- **The proposed Tax Abatement would commence upon completion of the TIF district term and would continue until the amount of the request is provided. The maximum term for the Abatement is 20 years if the City is the only political subdivision that approves an abatement.**
- **The total value of TIF and Abatement in today's dollars (using a 6% discount rate) is estimated to be \$2,084,000.**
- **In Minnesota, TIF can be used for two purposes:**
 - **To finance public infrastructure that is related to the development, or**
 - **To induce or cause a development or redevelopment that otherwise would not occur. (The economics of the development won't work without the assistance, for reasons such as; added cost of building acquisition and renovation, development costs won't allow for market rate rents, added cost of site cleanup, etc.)**
 - **For this project, it will be used to induce or cause development as no public infrastructure is needed.**



TIF Business & Abatement Assistance

- **The Public Purpose Objectives, within the City's *Economic Development Policies*, which this project aligns with are:**
 - **To create housing opportunities for senior and low to moderate income families.**
 - **To provide a diversity of housing types adjacent to the cultural, recreational, economic, natural, education and transportation systems.**
 - **To encourage additional unsubsidized private (re)development**
 - **To accomplish other public policies which may be adopted, projects that are consistent with those community values and objectives described within the Comprehensive Plan.**





TIF & Abatement Business Assistance

- **TIF But-for Test**

- Under Minnesota statute, before a City can establish a TIF district for a project, the developer must demonstrate and the City must verify that, but-for the use of TIF, the project would not occur in the foreseeable future.

- **TIF Basics:**



- Important to note that the property taxes collected currently are still received and retained by the City during the term of the TIF
- Only the increase in taxes resulting from the new development (increment) is delayed until the TIF commitment is satisfied.
- Upon that satisfaction, all property taxes resume full distribution to the taxing entities.



TIF & Abatement Business Assistance

- **TIF Need Analysis** – the City’s fiscal consultant Ehlers has analyzed the Developer’s updated project budget and pro forma, based upon industry standards and market ranges for rate of return, as well as development costs and revenues.
 - Based upon that analysis, it was determined that TIF & Tax Abatement assistance in the amount of \$2,084,000 over the full term is required to achieve a reasonable yield on cost (net operating income / total development costs) return of 5.2% at stabilization. Typically, developers need a yield on cost approaching 6.5% for feasibility.
 - Based upon Ehlers analysis, they concluded that providing the requested business assistance is warranted for the project.



TIF & Abatement Business Assistance

- **Land Write Down** – In addition to the TIF and Tax Abatement assistance to the project a land write down by GREDA is also necessary to both deliver the required return and to also increase the eligible grant request of the MHFA Workforce Housing Development (WHD) Program.
- The current asking price for the GREDA property is \$485,000, with GREDA responsible for the levied infrastructure assessment of \$412,000. Without a write down the transaction would look like this:

$$\begin{array}{|c|} \hline \text{Purchase Price} \\ \$485,000 \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Assessment} \\ \$412,000 \\ \hline \end{array} = \begin{array}{|c|} \hline \text{GREDA Proceeds} \\ \$73,000 \\ \hline \end{array}$$

- The MHFA Program allows a request equal to twice the amount of the local contributions, which includes land write down. A recent Brokers Opinion of Value completed for Oppidan valued the site at \$585,000, which means a full write down makes the project eligible for an additional 2X that, or \$1,170,000.

$$\begin{array}{|c|} \hline \text{Purchase Price} \\ \$585,000 \\ \hline \end{array} + \begin{array}{|c|} \hline \text{Assessment} \\ \text{(Developer Cost)} \\ \$412,000 \\ \hline \end{array} - \begin{array}{|c|} \hline \text{GREDA Write Down} \\ \$585,000 \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Developer Cost} \\ \$412,000 \\ \hline \end{array}$$

- With the write down scenario, GREDA doesn't receive net proceeds of \$73,000, but leverages an additional \$1.17MM of WHD Program eligibility.



TIF Business Assistance

- **When approving a TIF Plan, the City Council must find (among other things) that:**
 - **The proposed development would not reasonably be expected to occur solely through private investment in the reasonably foreseeable future; and**
 - **The increased market value of the site that could reasonably be expected to occur without the use of TIF would be less than the increase estimated to result from the proposed development.**
- **The Draft Resolution, TIF Plan and its appendices address these required findings and describe the basis of the determined need for this public assistance in furthering the public purposes of: creating housing opportunities for senior and low to moderate income families, providing a diversity of life cycle housing adjacent to cultural, recreational, economic, natural, education and transportation systems, and to improve the tax base and to improve the general economy.**
- **The proposed TIF involves pay-as-you-go financing, which means the developer will pay the costs of creating the improvements with their funds, and the increments, as they are generated by the new development, will be used to reimburse the developer for these costs over time.**



Questions?



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: November 14, 2024

STATEMENT OF ISSUE: Consider adoption of a resolution approving conveyance of certain property owned by GREDA and the corresponding Purchase Agreement between GREDA and Oppidan Investment Company and supporting the provision of certain financial assistance for the Grand Rapids Workforce Housing Project

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

Following the public hearing, if GREDA deems it advisable, they can adopt the attached resolution.

RECOMMENDATION:

REQUIRED ACTION: Make a motion to approve adoption of a resolution approving conveyance of certain property owned by GREDA and the corresponding Purchase Agreement between GREDA and Oppidan Investment Company and supporting the provision of certain financial assistance for the Grand Rapids Workforce Housing Project

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING CONVEYANCE OF CERTAIN PROPERTY OWNED BY THE EDA AND CORRESPONDING PURCHASE AGREEMENT BETWEEN THE EDA AND OPPIDAN INVESTMENT COMPANY AND SUPPORTING THE PROVISION OF CERTAIN FINANCIAL ASSISTANCE FOR THE PROJECT

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

Section 1. Recitals.

1.01. On December 2, 2024, the City Council (the “City Council”) of the City of Grand Rapids, Minnesota (the “City”) will consider adopting a modification to the Development Program (the “Development Program Modification”) for the City’s Municipal Development District No. 1 (the “Development District”) and a Tax Increment Financing Plan (the “TIF Plan”) for Tax Increment Financing District No. 1-17: Oppidan Workforce Housing (an economic development district) (the “TIF District”), located within the Development District (the Development Program Modification and the TIF Plan are referred to collectively herein as the “Program and Plan”), all in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, all as amended (the “Act”).

1.02. The Authority is the fee owner of certain property located in the City of Grand Rapids, Minnesota (PID No. 95-536-0110) legally described as set forth in Exhibit A attached hereto (the “Authority Property”) located within the TIF District.

1.03. The Authority intends to convey the Authority Property to Oppidan Investment Company, a corporation under the laws of Minnesota or an entity related thereto or affiliate thereof (the “Developer”), to construct a 132-unit multifamily housing project (the “Project”), and to that end has prepared a Purchase Agreement between the Authority and the Developer for the sale of the Authority Property (the “Purchase Agreement”). The Developer has requested tax increment financing assistance, a land write down and tax abatement assistance for the Project.

1.04. On December 2, 2024, the City Council will consider granting a property tax abatement (the “Abatement”) for the Property to begin following the decertification of the TIF District, pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Abatement Act”); and

1.05. 1.06. The proposed Program and Plan have been presented to the Board of Commissioners (the “Board”) of the Authority, and the Board has reviewed the Program and Plan and the Developer’s proposal for the Project and information regarding the proposed tax increment financing assistance.

1.06. On November 14, 2024, the Board held a duly noticed public hearing regarding the

proposed sale of the Authority Property.

1.07. The Board has determined that the sale of the Authority Property and the provision of financial assistance for the Project as described in this resolution is in the best interest of the City and its residents.

Section 2. Sale of Authority Property Approved; Further Proceedings.

2.01. The Board approves the Purchase Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications, or consents referenced in or attached to the Agreement including without limitation the deed and any documents required by the title company relating to the conveyance of Authority Property (the “Conveyance Documents”). The Board hereby approves the conveyance of the Authority Property to Developer in accordance with the terms of the Purchase Agreement.

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

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

2.04. The Authority supports the Plans and the use of a portion of the tax increment generated from the TIF District and the Abatement to assist the Developer with financing a portion of the extraordinary development costs of the Project.

2.05. The Authority supports the creation of the TIF District and the adoption of the Plans; provided, however, that final authorization of tax increment financing assistance for the Project contemplated in the TIF Plan is solely within the discretion of the City Council following all proceedings required pursuant to the TIF Act.

2.06. The Authority supports granting the Abatement from the Property; provided, however, that final authorization of abatement assistance for the Project contemplated in the Agreement is within the discretion of the City Council following all proceedings required pursuant to the Abatement Act and following the review and approval by the Board of the Agreement.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this 14th day of November, 2024.

President

ATTEST:

Secretary

EXHIBIT A

Legal Description of Authority Property

Lot 1, Block 1, Great River Acres, Itasca County, Minnesota.

PURCHASE AGREEMENT

THIS PURCHASE AGREEMENT (the “Agreement”) is made and entered into this ___ day of _____, 2024 (the “Effective Date”) by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the laws of the State of Minnesota (the “Seller”), and [OPPIDAN ENTITY], a _____ under the laws of Minnesota (“Buyer” and, together with Seller, the “Parties” or each a “Party”).

Recitals

WHEREAS, the Seller is the fee title owner of that certain real property located in the City of Grand Rapids, Minnesota (PID No. 95-536-0110) legally described as follows:

Lot 1, Block 1, Great River Acres, Itasca County, Minnesota

(the “Property”);

WHEREAS, the Buyer wishes to purchase the Property from the Seller subject to the terms and conditions of this Agreement to construct a 132-unit market rate multifamily housing project thereon (the “Development”);

WHEREAS, the Seller believes that the development of the Property is in the best interests of the Seller and the City of Grand Rapids, Minnesota (the “City”), and is in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Development will be undertaken. Further, the Seller believes the Development will result in the preservation and enhancement of the Seller and the City’s tax base, facilitate the expansion and growth of local business, and provide increased housing opportunities in the City; and

WHEREAS, the Seller is willing to sell the Property to the Buyer under the terms and conditions provided herein.

Terms of the Agreement

NOW, THEREFORE, in consideration of the mutual covenants hereinafter set forth, the Parties agree as follows:

1. Recitals. The recitals as set forth above are hereby incorporated into this Agreement.

2. Purchase Price. The total purchase price for the Property shall be \$1.00 (the “Purchase Price”) which represents a land write down from the amount of \$585,000.00 (the “Land Write Down”) which is the fair market value of the Property.

3. Closing. Subject to the terms of this Agreement, the closing of the purchase and sale of the Property contemplated by this Agreement (the “Closing”) shall occur at the office of [Title Company] or at such other location as agreed upon by the Parties, on _____, 2025, or on such other date as agreed upon by the Parties (the “Closing Date”).

4. Due Diligence Investigation. The Buyer, at its sole cost and expense, shall have a due diligence period commencing on the Effective Date and ending 60 days thereafter (“Due Diligence Period”) to make all such investigations as the Buyer, in its sole and absolute discretion, deems reasonable and necessary in determining the suitability of the Property for the Buyer’s needs including:

- a. To examine and inspect the Property, to review the Due Diligence Documents (as hereinafter defined), to conduct feasibility studies with regard to the ownership and operation of the Property, including, but not limited to, environmental reviews, soil condition testing, surveying, engineering studies, appraisals and any other physical inspections of the Property as determined by the Buyer, and to investigate all physical aspects of the Property, and to review all other due diligence matters related to the Property. The Buyer may enter upon the Property to inspect the same, and may conduct tests and examinations with regard thereto, provided that the Buyer’s activities do not unreasonably interfere with the ongoing operation of the Property. The Buyer shall promptly restore the Property to substantially the same condition in which it existed immediately prior to any physical tests conducted by or on behalf of the Buyer. Seller shall cooperate with the Buyer in obtaining reliance letters related to any existing environmental conditions affecting the Property.
- b. To investigate all zoning, code and governmental regulations or requirements in place at the Property, and to obtain all land use and rezoning approvals and permits determined necessary by the Buyer for the Buyer’s intended Development and use of the Property.
- c. To obtain, at the Buyer’s sole cost, an appraisal of the Property that is satisfactory to the Buyer and all of the Buyer’s funding sources.
- d. Buyer shall have until the last day of the Due Diligence Period to provide written notice to the Seller of the Buyer’s intention to terminate this Purchase Agreement for any reason. If the Buyer terminates this Agreement within the Due Diligence Period, the transaction contemplated herein shall be considered terminated.

5. Due Diligence Documents. Within 30 days after the Effective Date, Seller shall deliver to Buyer copies of the documents set forth on Exhibit B attached hereto and incorporated herein (the “Due Diligence Documents”).

6. Title Review and Objections. Within 30 days following the Effective Date, the Buyer shall obtain a commitment for an ALTA owner’s title insurance policy (the “Title Commitment”), which shall be periodically updated in accordance with the Development Documents (as defined herein), and any survey desired by the Buyer (the “Survey”). The Buyer shall provide a copy of the Title Commitment and any updates to the Title Commitment to the Seller. Within 30 days after receipt of the Title Commitment and the Survey, the Buyer shall notify the Seller in writing of any objections to the Seller’s title to the Property and the Survey (“Objections”), or the Objections shall be deemed waived. If any Objections are so made, the Seller shall be allowed until the Closing Date to cure such Objections and make the title to the Property good and marketable of record in the Seller. Notwithstanding the foregoing, the Seller shall have no obligation to cure any Objections. If a timely Objection remains uncured by the Seller on the Closing Date, the Buyer, as its sole and exclusive remedy, may either: (A) terminate this Agreement by giving written notice to the Seller; or (B) elect to accept the title in its unmarketable condition and without reduction of the Purchase Price by giving written notice to the Seller.

7. Conveyance Subject to Right of Re-entry. The Seller’s conveyance of the Property to the Buyer pursuant to this Agreement shall be made in the form of a quit claim deed (the “Deed”), in substantially the form set forth in Exhibit A. The Deed shall include a right of re-entry for breach of a condition subsequent in favor of the Seller (the “Right of Re-entry”). The condition subsequent is that the Buyer shall have commenced construction of the foundation by November 1, 2025. If the Buyer breaches such condition subsequent, the Buyer shall re-convey the Property back to the Seller, subject to matters then of record. If the Buyer fails to re-convey the Property to the Seller, the Seller may elect to exercise its right of reentry by commencing an action in Itasca County District Court to establish the breach of the condition subsequent. If the Seller establishes a breach of the condition subsequent, title to and the right to possession of the Property and title to all improvements located thereon revert to the Seller, and the Buyer is not entitled to any compensation from the Seller for the Property or the value of any improvements the Buyer has made to the Property. The Buyer must record any certificate of completion or certificate of release of the Right of Re-entry in the proper County land records at its expense.

8. Contingencies.

a. Buyer’s Contingencies. The Buyer’s obligation to purchase the Property shall be contingent on the following:

- i. By the end of the Due Diligence Period, the Buyer shall have determined, in its sole and absolute discretion, that it is satisfied with the results and matters disclosed by the Buyer’s investigation of the Property pursuant to Section 4 of this Agreement.
- ii. By the Closing Date, the Buyer shall have obtained, or caused to be obtained, in a timely manner, all required permits, licenses and

approvals which must be obtained for the Development, including without limitation zoning and land use approvals, which must be obtained for the Development and the Buyer shall have submitted building plans to the City.

- iii. By the Closing Date, the Buyer shall have obtained approval from the Seller and the City, following a duly noticed public hearing and the satisfaction of all other conditions required by Minnesota law, of any financial assistance from the Seller and the City of Grand Rapids, Minnesota (the "City"), if approved by the Seller in accordance with all applicable laws and other legal or policy requirements, to reimburse the Buyer for costs related the Development, in accordance with the terms of the Development Assistance Agreement defined below and the Land Write Down (collectively, the "Financial Assistance").
- iv. By the Closing Date, the Buyer shall have obtained all necessary financing for the Development.
- v. By the Closing Date, the condition of title shall be satisfactory to the Buyer following the Buyer's examination of title as provided herein.

The contingencies set forth above are for the benefit of the Buyer and may be waived by the Buyer in the Buyer's sole discretion. Notwithstanding any other provision in this Agreement, a waiver of a contingency must be in writing to be effective. At the end of the Due Diligence Period, the Buyer will give written notice to the Seller of the contingencies that have been waived, satisfied, or neither waived nor satisfied, excepting those contingencies related to any Objections which the Seller may cure up until and on the Closing Date which contingencies may be waived or satisfied up until and on the Closing Date.

- b. Seller's Contingencies. The Seller's obligation to convey the Property shall be contingent on the following:
 - i. By the Closing Date, the Buyer shall have obtained, or caused to be obtained, in a timely manner, all required permits, licenses and approvals, and shall have met, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met for the Development including without limitation a building permit, any needed variances, final plat or subdivision approval, and zoning and land use approvals;
 - ii. The Buyer shall have obtained approval from the Seller of the sale of the Property pursuant to this Agreement, following a duly noticed public hearing, and in accordance with and following the satisfaction of all conditions required by Minnesota law, including Minnesota Statutes, Section 469.105;

- iii. By the Closing Date, the Buyer shall have obtained approval from the Seller and the City, following a duly noticed public hearing and the satisfaction of all other conditions required by Minnesota law of any Financial Assistance;
- iv. The Buyer and the Seller shall have negotiated and mutually agreed to, the Board of Commissioners of the Seller (the “Board”) and the City Council of the City shall have approved following the satisfaction of all conditions required by Minnesota law, and the Seller and the Buyer shall have executed, effective not later than the Closing Date, a Development Assistance Agreement (the “Development Assistance Agreement”), providing for, among other things, the (i) construction of the Development by the Buyer in accordance with plans, specifications and a timeline approved by the Seller; (ii) terms of any Financial Assistance in accordance with applicable law; (iii) any applicable legal or policy requirements of the Seller related to the Development; and (iv) any documents ancillary thereto (collectively, the “Development Documents”);
- v. The Buyer shall have performed all of the obligations required to be performed by the Buyer under this Agreement or the Development Documents as of the Closing Date and any further contingencies to Closing set forth in such Development Documents shall have been satisfied as provided therein, including without limitation execution and delivery of all Development Documents;
- vi. The Buyer shall have delivered to the Seller all of the Buyer’s Documents described in Section 14;
- vii. The Buyer shall have submitted the construction plans for the Development to the Seller and the City, and the Seller and the City shall have approved the construction plans pursuant to the Development Documents;
- viii. By the Closing Date, the Buyer shall have obtained and provided to the Seller evidence of all necessary financing for the Development;
- ix. The Seller shall have determined that the Development to be undertaken by the Buyer on the Property is in conformance with this Agreement and the development objectives set forth in resolutions of the Seller authorizing the Development Documents; and
- x. By the Closing Date, Buyer and Seller shall negotiate a trail easement in favor of the City (the “Easement”) over the Property. The Easement shall be recorded at Closing.

The contingencies set forth in Section 8(b) are for the benefit of the Seller and may be waived only by the Seller in its sole and absolute discretion.

Notwithstanding any other provision in this Agreement, a waiver of a contingency must be in writing to be effective. At the end of the Due Diligence Period, the Seller will give written notice to the Buyer of the contingencies that have been waived, satisfied, or neither waived nor satisfied.

- c. Seller's and Buyer's Options. In the event that any of the foregoing contingencies fail to be satisfied on or before the Closing Date or the end of the Due Diligence Period, as applicable:
- i. The applicable party may terminate this Agreement, and Buyer and Seller shall execute and deliver to each other documentation effecting the termination of this Agreement; or
 - ii. The applicable party may waive such failure and proceed to Closing; provided that the contingencies in Section 8(a) that are solely for the benefit of the Buyer and may be waived only by the Buyer as provided therein and the contingencies in Section 8(b) are solely for the benefit of the Seller and may be waived only by the Seller as provided therein; or
 - iii. The Buyer and the Seller may mutually agree to extend the Closing Date.

9. Real Estate Taxes and Special Assessments. Any general real estate taxes payable in the year in which Closing occurs shall be prorated between the Buyer and the Seller as of the date of Closing. The Buyer will pay all outstanding special assessments against the Property.

10. "AS IS, WHERE IS." The Property is sold AS-IS. The Buyer acknowledges that it has inspected or will have the opportunity to inspect the Property and agrees to accept the Property "AS IS" with no right of set off or reduction in the Purchase Price. Such sale shall be without representation of warranties, express or implied, either oral or written, made by the Seller or any official, employee or agent of Seller with respect to the physical condition of the Property, including but not limited to, the existence or absence of petroleum, hazardous substances, pollutants or contaminants in, on, or under, or affecting the Property or with respect to the compliance of the Property or its operation with any laws, ordinances, or regulations of any government or other body, except as stated above. The Buyer acknowledges and agrees that the Seller has not made and does not make any representations, warranties, or covenants of any kind or character whatsoever, whether expressed or implied, with respect to warranty of income potential, operating expenses, uses, habitability, tenant ability, or suitability for any purpose, merchantability, or fitness of the Property for a particular purpose, all of which warranties Seller hereby expressly disclaims, except as stated above. The Buyer is relying entirely upon information and knowledge obtained from the Buyer's own investigation, experience and knowledge obtained from the Buyer's own investigation, experience, or personal inspection of the Property. The Buyer expressly assumes, at Closing, all environmental and other liabilities with respect to the Property and releases and indemnifies the Seller from same, whether such liability is imposed by statute or derived from common law including, but not limited to, liabilities arising under the Comprehensive Environmental Response, Compensation and Liability Act

("CERCLA"), the Hazardous and Solid Waste Amendments Act, the Resource Conservation and Recovery Act ("RCRA"), the federal Water Pollution Control Act, the Safe Drinking Water Act, the Toxic Substances Act, the Superfund Amendments and Reauthorization Act, the Toxic Substances Control Act, and the Hazardous Materials Transportation Act, all as amended, and all other comparable federal, state or local environmental conservation or protection laws, rules or regulations. The foregoing assumption and release shall survive Closing. All statements of fact or disclosures, if any, made in this Agreement or in connection with this Agreement, do not constitute warranties or representations of any nature. The foregoing provision shall survive Closing and shall not be deemed merged into any instrument of conveyance delivered at Closing. **Notwithstanding the foregoing, Seller represents and warrants to Buyer:**

- a. Unrecorded Agreements. To the Seller's actual knowledge, there are no unrecorded agreements, undertakings or restrictions which affect the Property.
- b. Leases. To the Seller's actual knowledge, there are no leases or possessory rights of others regarding the Property.
- c. Due Diligence Documents. The Due Diligence Documents delivered or to be delivered to the Buyer hereunder are to the Seller's actual knowledge correct and complete and, to the Seller's actual knowledge, do not contain any false information.
- d. FIRPTA. Seller is not a "foreign person," "foreign partnership," "foreign trust," or "foreign estate," as those terms are defined in Internal Revenue Code Section 1445 and the regulations promulgated thereunder.
- e. No Proceedings. No legal or administrative proceeding is pending or, to the Seller's actual knowledge, threatened (i) which would adversely affect the Seller's right to convey the Property to the Buyer as contemplated in this Agreement, or (ii) affecting the Property. There are no condemnation or eminent domain proceedings pending or, to Seller's knowledge, threatened with respect to the Property.
- f. Private Sewage Systems; Wells. To the Seller's actual knowledge there are no wells or private sewage systems located on the Property.
- g. Methamphetamine Production. To the Seller's actual knowledge, no methamphetamine production has occurred on the Property.
- h. Unpaid Labor and Materials. To the Seller's actual knowledge, the Seller is not indebted for labor or material that might give rise to the filing of notice of mechanic's lien against any portion of the Property.
- i. Approval of Sale. Prior to Closing, the Seller will take all applicable action to seek approval of the sale of the Property to the Buyer pursuant to the terms of this Agreement, including without limitation consideration of approval of this Agreement by the Board subject to and in accordance with Minnesota Statutes,

Section 469.105 and following the satisfaction of all other conditions required by Minnesota law.

- j. Current Conditions. The Seller shall maintain the Property in its present condition, ordinary wear and tear excepted. To the actual knowledge of the undersigned Executive Director of the Seller there are no conditions on the Property that are protected by federal or state law (such as American Indian burial grounds, other human burial grounds, historical structures or materials, or archeological sites).
- k. Governmental Violations. The Seller has not received any written notice from a governmental authority that a person or the Property has violated a law, ordinance or regulation affecting the Property or that any governmental authority may commence eminent domain, condemnation, special taxing district, or rezoning proceedings affecting the Property.
- l. Entity. Seller is a body corporate and politic duly organized, validly existing and in good standing under the laws of the State of Minnesota.

The obligations of Buyer under this Agreement are contingent upon the representations and warranties of Seller contained in this Agreement being true as of the Effective Date and on the Closing Date as if made on the Closing Date. Each of the foregoing representations and warranties shall be deemed remade as of the Closing Date and, as so remade, shall survive the Closing.

11. Closing Costs.

- a. The Buyer shall pay all costs of the preparation of a title commitment, including the abstracting fees, if required by the Title Company. The Seller shall pay all recording fees and charges related to the filing of any instrument required to make title marketable. The Buyer shall also pay the cost of obtaining any title evidence desired by the Buyer, including the title commitment, title insurance premiums the fees for standard searches with respect to the Seller and the Property, any survey costs, and all Closing fees charged by the Title Company and any escrow fees charged by the Title Company or any escrow agent engaged by the Parties in connection with this Agreement, if any.
- b. Buyer shall also pay the following costs: (1) all costs for obtaining government approvals that may be required in order to close on the Property or as required for the Buyer's intended use of the Property; (2) the cost of preparation of any necessary platting or other subdivision documents, (3) the filing fee to record the Deed, (4) the premium for any owner's or lender's title insurance policies obtained by or for the benefit of the Buyer, (5) any state deed tax, conservation fee or other federal, state or local documentary or revenue stamps or transfer tax with respect to the Deed to be delivered by the Seller; recording fees and charges related to the filing of the Deed; (6) the Buyer's attorney's fees; (7) the Seller's reasonable legal, accounting fees and other out of pocket costs incurred in connection with this Agreement and the Development Documents as further

provided in the Development Documents; and (8) all other costs as outlined in the Development Documents entered into between the Parties.

12. Documents to be Delivered by the Seller. The Seller agrees to deliver to the Seller the following documents (the “Seller’s Documents”), duly executed as appropriate, at Closing:

- a. The Deed conveying the Property to the Buyer.
- b. A closing statement prepared by the Title Company to be executed by the Seller, Buyer, and the Title Company at Closing.
- c. A non-foreign affidavit, properly executed, containing such information as is required by Code Section 1445(b)(2) and the regulations promulgated thereunder.
- d. Any executed documents that may be required in the State of Minnesota in order for the Deed to be recorded.
- e. An affidavit of title with respect to the Property in a form satisfactory to the Title Company so as to enable the Title Company to remove standard title insurance exceptions that can be removed with such affidavit.
- f. A Well Disclosure Certificate or a statement that the Seller does not know of any wells on the Property.
- g. Such other documents as may be required by the Title Company to complete the transaction as set forth in this Agreement.

13. Documents to be Delivered by the Buyer. The Buyer agrees to deliver to the Seller the following documents (the “Buyer’s Documents”), duly executed as appropriate, at Closing:

- a. Such affidavits of Buyer, Certificates of Value or other documents as may be reasonably required in order to complete the transaction contemplated by this Agreement.
- b. Any documentary evidence required to satisfy the contingencies set forth herein.
- c. The Development Assistance Agreement and any documents required pursuant to the terms of the Development Documents.
- d. Such other documents as shall be required to carry out the intent of this Agreement, including such other documents as may be required by the Title Company to complete the transaction as set forth in this Agreement.

14. Casualty or Condemnation. If, before the recording of the Deed, any of the improvements on the Property are destroyed or substantially damaged by fire or any other casualty or any substantial part of the Property shall be taken by condemnation (including a deed given in

lieu thereof), the Buyer shall have the option of (i) enforcing this Agreement (and in such event the insurance proceeds or condemnation award shall belong to the Buyer) or (ii) terminating the Agreement by written notice given to the Seller within 30 days after the Buyer receives notice of such casualty or condemnation from the Seller. If this Agreement is terminated under this Section, the Earnest Money shall be returned to the Buyer, this Agreement shall be null and void, and the Parties' obligations hereunder shall be of no further force and effect.

15. Remedies. If either Party defaults under this Agreement, the non-defaulting Party shall have the right to terminate this Agreement by giving written notice to the defaulting Party. If the defaulting Party fails to cure such default within 14 calendar days of the date of such written notice, this Agreement will terminate. The termination of this Agreement shall be the sole and absolute remedy available to the non-defaulting Party for such default, and, upon termination, this Agreement shall be null and void, and the Parties' obligations hereunder shall be of no further force and effect.

16. Broker Commissions. The Parties represent and warrant to each other that they have not dealt with any brokers in connection with the transaction contemplated by this Purchase Agreement. The Seller and the Buyer each agree to indemnify, defend, and hold the other harmless from and against all liability, loss, cost, damage, or expense (including, but not limited to, reasonable attorneys' fees and costs of litigation) which the other party may incur because of any claim by a broker, agent, or finder claiming any compensation with respect to this Agreement. The foregoing indemnification shall survive Closing or the termination of this Agreement.

17. Notices. Any notices required herein shall be deemed given when sent in the U.S. Mail, either registered or certified, return receipt requested, or by Federal Express or other overnight delivery service requiring a signature upon receipt, to the parties at the following addresses:

SELLER: Grand Rapids Economic Development Authority
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662
Attn: Executive Director

BUYER: [Oppidan Entity]
400 Water Street, Suite 200
Excelsior, MN 55331
Attn: CEO

18. Survival. All representations, warranties, and indemnities set forth herein shall survive Closing, except as otherwise provided herein.

19. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

20. Assignment. The Buyer shall have the right to assign its interest to this Agreement to an entity in which the Buyer has an ownership interest, is a member or with which it is otherwise affiliated. The consent of the Seller shall be required if the Buyer assigns this Agreement to any third party with which the Buyer has no connection.

21. Binding Effect. This Agreement is binding upon the Parties and their respective permitted successors and assigns.

22. Construction. This Agreement shall not be construed more strictly against one Party than the other, merely by virtue of the fact that it may have been prepared primarily by counsel for one of the Parties, it being recognized that both the Buyer and the Seller have contributed substantially and materially to the preparation of this Agreement.

23. Captions. The Captions preceding the text of the sections and subsections hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

24. Severability. If any provision of this Agreement is held by a court of competent jurisdiction to be void or unenforceable, the invalidity or unenforceability of any term or terms of this Agreement shall not invalidate, make unenforceable or otherwise affect any other term of this Agreement, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted, and in such event, the remaining terms of this Agreement shall remain in full force and effect.

25. Computation of Time. In computing any period of time pursuant to this Agreement, the day of the act or event from which the designated period of time begins to run will not be included. The last day of the period so computed will be included, unless it is a Saturday, Sunday or federal holiday, in which event the period runs until the end of the next day which is not a Saturday, Sunday or federal holiday.

26. Time of the Essence. All times, wherever specified herein for the performance by the Seller or the Buyer of their respective obligations hereunder, are of the essence of this Agreement.

27. Complete Agreement. This instrument and any exhibits, schedules or addendums attached hereto contain the entire Agreement of the Parties regarding the subject matter hereof, and supersedes all prior negotiations, agreements or understandings, whether oral or in writing. This Agreement may not be changed orally but only by an Agreement in writing signed by the Parties.

28. No Waiver Implied. No waiver by the Seller or the Buyer of a breach of any of the terms, covenants or conditions of this Agreement shall be construed to be a waiver of any other breach of the same or any other term, covenant, or condition of this Agreement.

29. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute an original but all of which, taken together, shall constitute but one and the same instrument.

IN WITNESS WHEREOF, said Parties hereby execute this Purchase Agreement effective the date first above written.

SELLER:

GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY

By: _____
Its Executive Director

By: _____
Its President

BUYER:

[OPPIDAN ENTITY]

By: _____

Its: _____

EXHIBIT A
FORM OF QUIT CLAIM DEED

(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

DEED TAX DUE: \$ _____
ECRV:

DATE: _____, 202_____

(month/day/year)

FOR VALUABLE CONSIDERATION, Grand Rapids Economic Development Authority
(insert name of Grantor)

a body corporate and politic under the laws of the state of Minnesota, (“Grantor”),
hereby conveys and quitclaims to [Oppidan Entity]

(insert name of Grantee)

a _____ under the laws of Minnesota, (“Grantee”), real property in Itasca County, Minnesota,
legally described as follows:

Lot 1, Block 1, Great River Acres, Itasca County, Minnesota.

Subject to easements, restrictions, or reservations of record, if any.

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

together with all hereditaments and appurtenances and subject to the Right of Re-Entry for Breach
of Condition Subsequent in favor of Grantor which is described on Exhibit A.

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described property.
- A well disclosure certificate accompanies this document (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

By: _____

Its: Executive Director

By: _____

Its: President

State of Minnesota, County of ITASCA

This instrument was acknowledged before me on _____, 202_ by _____ and _____, as the President and the Executive Director, respectively, of the Grand Rapids Economic Development Authority, a body corporate and politic organized and existing under the laws of the State of Minnesota, on behalf of the body corporate and politic.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

Kennedy & Graven, Chartered
150 South Fifth Street, Suite 700
Minneapolis, MN 55402

TAX STATEMENTS FOR THE REAL PROPERTY DESCRIBED IN THIS INSTRUMENT SHOULD BE SENT TO:
(insert name and address of Grantee to whom tax statements should be sent)

[Oppidan Entity]
Attn: _____
400 Water Street, Suite 200
Excelsior, MN 55331

EXHIBIT A
TO QUIT CLAIM DEED
EXECUTED BY
THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, GRANTOR,
IN FAVOR OF [OPPIDAN ENTITY], GRANTEE.

The GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, Grantor, is conveying the property described in the attached Quit Claim Deed (the “Development Property”) to [OPPIDAN ENTITY], Grantee, subject to a right of re-entry for breach of conditions subsequent in favor of Grantor. The condition subsequent is that, barring any Unavoidable Delays, the Grantee shall have commenced construction of the foundation of the Project, as defined in that certain Development Assistance Agreement between the Grantor and Grantee dated as of _____, 202__ (the “Development Assistance Agreement”), by November 1, 2025. If Grantee breaches a condition subsequent, Grantee shall re-convey the Development Property back to Grantor. If Grantee fails to re-convey the Development Property to the Grantor, Grantor may elect to exercise its right of reentry by commencing an action in Itasca County District Court to establish the breach of the condition subsequent. If Grantor establishes a breach of the condition subsequent, title to and the right to possession of the Development Property, and title to all improvements located thereon reverts to Grantor, and Grantee is not entitled to any compensation from Grantor for the value of any improvements Grantee has made to the Development Property.

The Certificate of Completion issued under the Development Assistance Agreement shall conclusively satisfy and terminate the right of re-entry of the Grantor in this Quit Claim Deed or pursuant to the Development Assistance Agreement.

EXHIBIT B

DUE DILIGENCE DOCUMENTS

Copies of the following in the Seller's possession and related to the Property:

1. Copies of all agreements affecting the Property, including any assignable warranties;
2. All studies and reports in the possession of Seller relating to environmental status, soil tests, and any other information regarding the environmental and soil conditions;
3. Any existing surveys of the Property.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: November 14, 2024

STATEMENT OF ISSUE: Consider the approval of a Commercial Building Improvement Loan, a Downtown Mandated Building Improvement Loan and a Redevelopment Loan for the renovation of the commercial building at 12 NE 3rd St.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

On October 31, GREDA Commissioners Bahr and Hodnik met with staff to review three loan applications for the same project located at 12 NE 3rd St. (former IEDC offices).

This \$1,539,000 project will renovate and convert this building for the purpose of establishing a new restaurant in the downtown, an improvement that is in alignment with the goals of the Downtown Plan.

The requested loans reviewed were submitted by the property owner Eclipse Building Partners, LLC for:

Downtown Mandated Building Improvement Loan	\$50,000
Commercial Building Improvement Loan	\$200,000
Redevelopment Loan	\$105,000

As you will recall, these loan programs have been capitalized through assistance from the Blandin Foundation.

The City has submitted a IRRR Public Works grant request of \$139,00 for this project, as well, which will be acted upon at the November 12 IRRR Board meeting.

Upon review of the applications and their associated documentation and post development appraised value, Commissioners Hodnik and Bahr have recommended approval of all three loan requests.

REQUIRED ACTION: Pass a motion approving a Commercial Building Improvement Loan, a Downtown Mandated Building Improvement Loan, and a Redevelopment Loan, as described, to Eclipse Building Partners, LLC for the renovation of the commercial building at 12 NE 3rd St.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: November 14, 2024

STATEMENT OF ISSUE: Consider award of a proposal submitted by Braun Intertec for the preparation of a hazardous materials inspection of the former ISD 318 Administration Building at 820 NW 1st Avenue.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

As GREDA has previously discussed, the City has now conveyed the ownership of the recently purchased former ISD 318 Administration Building to GREDA for the purpose of leading the redevelopment of the site for the intended purpose of providing additional single family housing opportunities in Grand Rapids.

As you will also recall, the Itasca County HRA Board has expressed an interest in partnering with GREDA much like the redevelopment of the former Forest Lake School site.

To develop a more precise budget for demolition of the building, a hazardous material survey is necessary to determine what and how much must be mitigated so that contractors can include that work in their pricing.

Braun has provided a proposal for site inspection, sampling and testing and report preparation at a price of \$8,926.00.

REQUIRED ACTION: Pass a motion awarding a professional service proposal submitted by Braun Intertec for the preparation of a hazardous materials inspection of the former ISD 318 Administration Building at 820 NW 1st Avenue.

October 31, 2024

Proposal QTB205905

Mr. Robert Mattei, Community Development Director
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744

Re: Pre-Demolition Hazardous Building Materials Inspection
Former ISD 318 Administrative Building
820 NW 1st Avenue
Grand Rapids, Minnesota

Dear Mr. Mattei:

Braun Intertec Corporation is pleased to present this proposal to provide services and a cost estimate for a Pre-Demolition Hazardous building materials inspection of the Former ISD 318 Administrative Building located at 820 NW 1st Avenue in Grand Rapids, Minnesota (Site). This proposed work will be performed in accordance with the terms and conditions in the Braun Intertec General Conditions.

Background

We understand that the City of Grand Rapids recently acquired the building from Independent School District (ISD) 318 and intends to demolish the building. In preparation of this proposal, we reviewed the report entitled "Six Month Periodic Surveillance Report" for the building prepared by IEA, Inc., and dated February 15, 2024. The report describes various building materials present in the Site building. 142 materials were described and the report indicates that 70 of the described materials were assumed to contain asbestos. No recent or previous testing results were provided in the report. Therefore, we assume that all suspect asbestos-containing materials (ACM) will require sampling.

Scope of Services

The goal of the inspection will be to identify potentially hazardous building materials that require separate handling and/or disposal prior to building demolition. The inspection will be conducted by our experienced and accredited asbestos inspectors. Our representatives will perform the following services:

- Review available documentation provided by current owner with regard to asbestos-containing materials (ACM), lead-based paint (LBP), poly-chlorinated biphenyls (PCBs), mercury, and other miscellaneous hazardous material. Existing sample data provided by current owner was utilized, where possible, to determine the presence or absence of ACM.
- Visually examine accessible areas and identify the locations of suspect ACM, LBP, PCBs, mercury, and other miscellaneous hazardous materials.

- Collect and analyze representative bulk samples of materials suspected of containing asbestos. Examples of materials to be collected for analysis include, but are not limited to: floor tile, linoleum flooring, wall and ceiling plaster, suspended and acoustical ceiling tile, sheetrock, thermal system insulation, textured ceiling material and fireproofing.
- Conduct limited LBP testing of potential re-useable components with painted surfaces suspected of containing lead (where applicable). Testing will be accomplished using a Niton X-ray fluorescence (XRF) spectrum analyzer. The Niton is a portable, non-destructive, in-situ test and measurement instrument. Alternatively, we may conduct LBP testing using laboratory analysis of paint chip samples.
- Assign a hazard rating based on asbestos content with respect to the materials condition, friability, accessibility, and hazard potential.
- Document the various materials current conditions and estimated quantities of ACM based on visual observations.
- Generate a final report, documenting the sample locations, analysis results, conditions, and ACM estimated quantities.

The Braun Intertec personnel conducting the inspection are fully accredited asbestos inspectors, in accordance with state and federal regulations. Asbestos analysis will be performed by a laboratory that is accredited for polarized light microscopy (PLM) asbestos bulk sample analysis by the National Institute of Standards and Technology's (NIST) National Voluntary Laboratory Accreditation Program.

Cost Estimate

Based on our current understanding of the project requirements and the assumptions stated herein, we estimate the cost to perform the environmental consulting services to be about **\$8,379**, which includes one hour of post deliverable consulting time for revisions to the draft report and/or communication with the project team and/or owner.

Consequently, our estimated costs may be higher or lower, depending on the actual site conditions encountered. The total projected cost will not be exceeded without additional authorization. The terms and conditions under which these services will be provided are detailed in the attached General Conditions, which are part of this proposal.

The site work will be performed during our normal work hours of 7:00 a.m. to 5:00 p.m., Monday through Friday. If conditions occur that require us to work outside of these hours or due to circumstances beyond our control or additional requests for meetings, consulting or modifications to the report, we will request additional fees to cover our additional encored costs.

The estimated cost breakdown by activity is listed below.

Service Description	Cost Estimate
Site Inspection and Documentation <i>Includes field Preparation, site inspection, and sample preparation</i>	\$2,882
Analytical Services <i>Includes PLM analysis (250 sample layers and up to 5 point count analysis) and lead paint testing (up to 5 paint chip samples)</i>	3,680
Report Preparation and Project Management	2,364
Estimated Total	\$8,926

Our services will be billed at the following unit rates if additional services are required:

Personnel

Senior Consultant	\$198/hour
Project Consultant	\$145/hour
Staff Consultant	\$118/hour
Project Control Specialist	\$99/hour
Project Assistant	\$99/hour

Mileage and Analytical Testing

Vehicle Trip Charge	\$50 per trip
Asbestos Content using PLM (EPA/600/R-93/116)	\$12/sample layer (72-hrs TAT)
PLM - 400 PC Method (reporting limit <0.25%)	\$25/sample layer (72-hrs TAT)

Unit prices for time and expenses are set costs. Other figures such as number of hours to perform the inspection, number of samples, report time, etc. are estimated figures. Consequently, our estimated costs may be higher or lower, depending on the actual site conditions encountered. The total projected cost will not be exceeded without additional authorization. The terms and conditions under which these services will be provided are detailed in the attached General Conditions, which are part of this proposal.

Schedule

We will require one to two weeks advanced notice to schedule the proposed scope of work. It is our understanding that an owner’s representative will be responsible for scheduling the Site visit during normal business hours of 7:00 a.m. to 5:00 p.m. Monday through Friday. Our proposal also assumes that the on-Site work will be completed in one to two working days. If conditions occur that require us to work outside of these hours or due to circumstances beyond our control, we will request additional fees to cover our additional overtime costs.

Laboratory turnaround time for the specified asbestos sample analysis is 3-5 working days. Upon receipt of the laboratory reports, our written reports will be submitted to you within about 2 weeks thereafter. Preliminary verbal results will be provided to you if requested.

Limitations

The sampling of materials for asbestos content will be accomplished by destructive means. Damage to the building and associated components are inevitable. Sampling of materials for asbestos content involves the collection of a small piece of that material. Some damage is inevitable. However, every effort will be made to limit cuts and holes to discreet locations. Our representatives will not be responsible for repairing materials damaged during sampling.

In any building, the potential exists for hazardous building materials to be located inside walls, above ceilings, under floors, buried underground, and other inaccessible areas. This inspection will attempt to identify hazardous building materials in these inaccessible areas. However, it is not feasible to inspect 100 percent of these areas. Therefore, Braun Intertec cannot be held responsible for the presence of any such hidden materials. The demolition contractor and other contractors involved in the project should be made aware of the potential for hazardous building materials to be located in inaccessible areas. If previously unidentified suspect hazardous building materials are exposed during their activities, they should be sampled and analyzed for content prior to any disturbance.

Braun Intertec will not be liable for any past, existing, or future damage to the roofing systems, the building structures, or the contents of the building.

In performing its services, Braun Intertec will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of its profession currently practicing in the same locality. No warranty, express or implied, is made.

General Remarks

The proposed fee is based on the scope of services described and the assumption that our services will be authorized within 30 days and others will not delay us beyond our proposed schedule. Invoices will be submitted monthly and are due on receipt, with interest added to unpaid balances after 30 days. The terms and conditions under which these services will be provided are detailed in the attached General Conditions, which are part of this proposal.

Braun Intertec appreciates the opportunity to present this proposal to you. It is being sent in an electronic version **only**. ***Please return a signed copy of the proposal in its entirety.***

We include the Braun Intertec General Conditions, which provide additional terms and are a part of our agreement.

If you have questions regarding the contents of this proposal, please contact Ted Hubbes at 218.263.8869 or thubbes@braunintertec.com.

Sincerely,

BRAUN INTERTEC CORPORATION



Ted R. Hubbes, PG, CHMM
Senior Manager, Senior Scientist



Robert E. Nordby
Business Development Leader

Attachments:
General Conditions (1/1/18)

The proposal is accepted, and you are authorized to proceed.

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date

Section 1: Agreement

1.1 Our agreement with you consists of these General Conditions and the accompanying written proposal or authorization ("Agreement"). This Agreement is the entire agreement between you and us. It supersedes prior agreements. It may be modified only in a writing signed by us, making specific reference to the provision modified.

1.2 The words "you," "we," "us," and "our" include officers, employees, and subcontractors.

1.3 In the event you use a purchase order or other documentation to authorize our scope of work ("Services"), any conflicting or additional terms are not part of this Agreement. Directing us to start work prior to execution of this Agreement constitutes your acceptance. If, however, mutually acceptable terms cannot be established, we have the right to terminate this Agreement without liability to you or others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

Section 2: Our Responsibilities

2.1 We will provide Services specifically described in this Agreement. You agree that we are not responsible for services that are not expressly included in this Agreement. Unless otherwise agreed in writing, our findings, opinions, and recommendations will be provided to you in writing. You agree not to rely on oral findings, opinions, or recommendations without our written approval.

2.2 In performing our professional services, we will use that degree of care and skill ordinarily exercised under similar circumstances by reputable members of our profession practicing in the same locality. If you direct us to deviate from our recommended procedures, you agree to hold us harmless from claims, damages, and expenses arising out of your direction. If during the one year period following completion of Services it is determined that the above standards have not been met and you have promptly notified us in writing of such failure, we will perform, at our cost, such corrective services as may be necessary, within the original scope in this Agreement, to remedy such deficiency. Remedies set forth in this section constitute your sole and exclusive recourse with respect to the performance or quality of Services.

2.3 We will reference our field observations and sampling to available reference points, but we will not survey, set, or check the accuracy of those points unless we accept that duty in writing. Locations of field observations or sampling described in our report or shown on our sketches are based on information provided by others or estimates made by our personnel. You agree that such dimensions, depths, or elevations are approximations unless specifically stated otherwise in the report. You accept the inherent risk that samples or observations may not be representative of things not sampled or seen and further that site conditions may vary over distance or change over time.

2.4 Our duties do not include supervising or directing your representatives or contractors or commenting on, overseeing, or providing the means and methods of their services unless expressly set forth in this Agreement. We will not be responsible for the failure of your contractors, and the providing of Services will not relieve others of their responsibilities to you or to others.

2.5 We will provide a health and safety program for our employees, but we will not be responsible for contractor, owner, project, or site health or safety.

2.6 You will provide, at no cost to us, appropriate site safety measures as to work areas to be observed or inspected by us. Our employees are authorized by you to refuse to work under conditions that may be unsafe.

2.7 Unless a fixed fee is indicated, our price is an estimate of our project costs and expenses based on information available to us and our experience and knowledge. Such estimates are an exercise of our professional judgment and are not guaranteed or warranted. Actual costs may vary. You should allow a contingency in addition to estimated costs.

Section 3: Your Responsibilities

3.1 You will provide us with prior environmental, geotechnical and other reports, specifications, plans, and information to which you have access about the site. You agree to provide us with all plans, changes in plans, and new information as to site conditions until we have completed Services.

3.2 You will provide access to the site. In the performance of Services some site damage is normal even when due care is exercised. We will use reasonable care to minimize damage to the site. We have not included the cost of restoration of damage in the estimated charges.

3.3 You agree to provide us, in a timely manner, with information that you have regarding buried objects at the site. We will not be responsible for locating buried objects at the site. *You agree to hold us harmless, defend, and indemnify us from claims, damages, losses, penalties and expenses (including attorney fees) involving buried objects that were not properly marked or identified or of which you had knowledge but did not timely call to our attention or correctly show on the plans you or others furnished to us.*

3.4 You will notify us of any knowledge or suspicion of the presence of hazardous or dangerous materials present on any work site or in a sample provided to us. You agree to provide us with information in your possession or control relating to such materials or samples. If we observe or suspect the presence of contaminants not anticipated in this Agreement, we may terminate Services without liability to you or to others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

3.5 Neither this Agreement nor the providing of Services will operate to make us an owner, operator, generator, transporter, treater, storer, or a disposal facility within the meaning of the Resource Conservation Recovery Act, as amended, or within the meaning of any other law governing the handling, treatment, storage, or disposal of hazardous substances. *You agree to hold us harmless, defend, and indemnify us from any damages, claims, damages, penalties or losses resulting from the storage, removal, hauling or disposal of such substances.*

3.6 Monitoring wells are your property, and you are responsible for their permitting, maintenance, and abandonment unless expressly set forth otherwise in this Agreement.

3.7 You agree to make all disclosures required by law. In the event you do not own the project site, you acknowledge that it is your duty to inform the owner of the discovery or release of contaminants at the site. *You agree to hold us harmless, defend, and indemnify us from claims, damages, penalties, or losses and expenses, including attorney fees, related to failures to make disclosures, disclosures made by us that are required by law, and from claims related to the informing or failure to inform the site owner of the discovery of contaminants.*

Section 4: Reports and Records

4.1 Unless you request otherwise, we will provide our report in an electronic format.

4.2 Our reports, notes, calculations, and other documents and our computer software and data are instruments of our service to you, and they remain our property. We hereby grant you a license to use the reports and related information we provide only for the related project and for the purposes disclosed to us. You may not transfer our reports to others or use them for a purpose for which they were not prepared without our written approval. *You agree to indemnify, defend, and hold us harmless from claims, damages, losses, and expenses, including attorney fees, arising out of such a transfer or use.*

4.3 If you do not pay for Services in full as agreed, we may retain work not yet delivered to you and you agree to return to us all of our work that is in your possession or under your control.

4.4 Samples and field data remaining after tests are conducted and field and laboratory equipment that cannot be adequately cleansed of contaminants are and continue to be your property. They may be discarded or returned to you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

4.5 Electronic data, reports, photographs, samples, and other materials provided by you or others may be discarded or returned to you, at our discretion, unless within 15 days of the report date you give us written direction to store or transfer the materials at your expense.

Section 5: Compensation

5.1 You will pay for Services as stated in this Agreement. If such payment references our Schedule of Charges, the invoicing will be based upon the most current schedule. An estimated amount is not a firm figure. You agree to pay all sales taxes and other taxes based on your payment of our compensation. Our performance is subject to credit approval and payment of any specified retainer.

5.2 You will notify us of billing disputes within 15 days. You will pay undisputed portions of invoices upon receipt. You agree to pay interest on unpaid balances beginning 30 days after invoice dates at the rate of 1.5% per month, or at the maximum rate allowed by law.

5.3 If you direct us to invoice a third party, we may do so, but you agree to be responsible for our compensation unless the third party is creditworthy (in our sole opinion) and provides written acceptance of all terms of this Agreement.

5.4 Your obligation to pay for Services under this Agreement is not contingent on your ability to obtain financing, governmental or regulatory agency approval, permits, final adjudication of any lawsuit, your successful completion of any project, receipt of payment from a third party, or any other event. No retainage will be withheld.

5.5 If you do not pay us in accordance with this Agreement, you agree to reimburse all costs and expenses for collection of the moneys invoiced, including but not limited to attorney fees and staff time.

5.6 You agree to compensate us in accordance with our Schedule of Charges if we are asked or required to respond to legal process arising out of a proceeding related to the project and as to which we are not a party.

5.7 If we are delayed by factors beyond our control, or if project conditions or the scope or amount of work changes, or if changed labor conditions result in increased costs, decreased efficiency, or delays, or if the standards or methods change, we will give you timely notice, the schedule will be extended for each day of delay, and we will be compensated for costs and expenses incurred in accordance with our Schedule of Charges.

5.8 If you fail to pay us in accordance with this Agreement, we may consider the default a total breach of this Agreement and, at our option, terminate our duties without liability to you or to others, and you will compensate us for fees earned and expenses incurred up to the time of termination.

5.9 In consideration of our providing insurance to cover claims made by you, you hereby waive any right to offset fees otherwise due us.

Section 6: Disputes, Damage, and Risk Allocation

6.1 Each of us will exercise good faith efforts to resolve disputes without litigation. Such efforts will include, but not be limited to, a meeting(s)

attended by each party's representative(s) empowered to resolve the dispute. Before either of us commences an action against the other, disputes (except collections) will be submitted to mediation.

6.2 *Notwithstanding anything to the contrary in this Agreement, neither party hereto shall be responsible or held liable to the other for punitive, indirect, incidental, or consequential damages, or liability for loss of use, loss of business opportunity, loss of profit or revenue, loss of product or output, or business interruption.*

6.3 You and we agree that any action in relation to an alleged breach of our standard of care or this Agreement shall be commenced within one year of the date of the breach or of the date of substantial completion of Services, whichever is earlier, without regard to the date the breach is discovered. Any action not brought within that one year time period shall be barred, without regard to any other limitations period set forth by law or statute. We will not be liable unless you have notified us within 30 days of the date of such breach and unless you have given us an opportunity to investigate and to recommend ways of mitigating damages. You agree not to make a claim against us unless you have provided us at least 30 days prior to the institution of any legal proceeding against us with a written certificate executed by an appropriately licensed professional specifying and certifying each and every act or omission that you contend constitutes a violation of the standard of care governing our professional services. Should you fail to meet the conditions above, you agree to fully release us from any liability for such allegation.

6.4 *For you to obtain the benefit of a fee which includes a reasonable allowance for risks, you agree that our aggregate liability for all claims will not exceed the fee paid for Services or \$50,000, whichever is greater. If you are unwilling to accept this allocation of risk, we will increase our aggregate liability to \$100,000 provided that, within 10 days of the date of this Agreement, you provide payment in an amount that will increase our fees by 10%, but not less than \$500, to compensate us for the greater risk undertaken.* This increased fee is not the purchase of insurance.

6.5 *You agree to indemnify us from all liability to others in excess of the risk allocation stated herein and to insure this obligation. In addition, all indemnities and limitations of liability set forth in this Agreement apply however the same may arise, whether in contract, tort, statute, equity or other theory of law, including, but not limited to, the breach of any legal duty or the fault, negligence, or strict liability of either party.*

6.6 This Agreement shall be governed, construed, and enforced in accordance with the laws of the state in which our servicing office is located, without regard to its conflict of laws rules. The laws of the state of our servicing office will govern all disputes, and all claims shall be heard in the state or federal courts for that state. Each of us waives trial by jury.

6.7 No officer or employee acting within the scope of employment shall have individual liability for his or her acts or omissions, and you agree not to make a claim against individual officers or employees. Item 6.

Section 7: General Indemnification

7.1 *We will indemnify and hold you harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by our negligent acts or omissions or those negligent acts or omissions of persons for whom we are legally responsible. You will indemnify and hold us harmless from and against demands, damages, and expenses of others to the comparative extent they are caused by your negligent acts or omissions or those negligent acts or omissions of persons for whom you are legally responsible.*

7.2 To the extent it may be necessary to indemnify either of us under Section 7.1, you and we expressly waive, in favor of the other only, any immunity or exemption from liability that exists under any worker compensation law.

7.3 You agree to indemnify us against losses and costs arising out of claims of patent or copyright infringement as to any process or system that is specified or selected by you or by others on your behalf.

Section 8: Miscellaneous Provisions

8.1 We will provide a certificate of insurance to you upon request. Any claim as an Additional Insured shall be limited to losses caused by our negligence.

8.2 You and we, for ourselves and our insurers, waive all claims and rights of subrogation for losses arising out of causes of loss covered by our respective insurance policies.

8.3 Neither of us will assign or transfer any interest, any claim, any cause of action, or any right against the other. Neither of us will assign or otherwise transfer or encumber any proceeds or expected proceeds or compensation from the project or project claims to any third person, whether directly or as collateral or otherwise.

8.4 This Agreement may be terminated early only in writing. You will compensate us for fees earned for performance completed and expenses incurred up to the time of termination.

8.5 If any provision of this Agreement is held invalid or unenforceable, then such provision will be modified to reflect the parties' intention. All remaining provisions of this Agreement shall remain in full force and effect.

8.6 No waiver of any right or privilege of either party will occur upon such party's failure to insist on performance of any term, condition, or instruction, or failure to exercise any right or privilege or its waiver of any breach.



Memorandum:

DATE: November 8, 2024

TO: GREDA Commissioners

FROM: Rob Mattei, Community Development Director

RE: 2025 Work Plan Development

The principal item of business for the Grand Rapids EDA regular meeting on November 14th will be to begin the development of the 2025 Work Plan. For use in this process, I am attaching a copy of the 2024 Work Plan and a copy of the Draft Economic Development chapter of the Comprehensive Plan.

To prepare yourself for the meeting, I request that you:

- Review the 2024 Work Plan giving consideration to any unfinished business. Should the unfinished items remain as a priority? If so, what additional GREDA action is appropriate and necessary in 2025?
- Review the Goals within the Economic Development chapter of the Comprehensive Plan. What goals are critical and time sensitive? Which goals should GREDA take the lead on? Which goals should GREDA take a partnering or supporting role in furthering, and what should that role be?
- Make a short list of work items you feel should be discussed/considered by the Authority for inclusion in the 2025 Work Plan. You can use the attached blank form to list your items.
 - The criteria applied to individual work items, when developing work plans over the past several years, are: Community Impact, Chances of Success, Resource Availability, and EDA Ownership.
 - **Community impact:** If the goal is achieved, will the impact be substantial in the community?
 - **Chances of success:** Is the objective reasonably attainable?
 - **Resource availability:** Does EDA/City of Grand Rapids possess adequate resources to achieve this goal?
 - **EDA ownership:** But for the EDA, will this objective be achieved by any other entity, commission, or department? Will the EDA be taking a lead role, a partnering role, or a supporting role?

At next meeting we will:

- List all of the individual work items brought by each member.
- Through discussion, we will determine if some items can be consolidated.

- Through discussion, we will determine if the numbers of issues put on the table are reasonably achievable or if the list should be pared down. If it is agreed the list should be pared down, a consensus as to which items should drop out, will need to be reached.

Item 7.

To prepare for the December 12th GREDA meeting, each member will score each work item generated on November 14th, for each of the established criteria, on a scale of 1 to 5 (1 being the low end and 5 the high end). The individual scoring by each Commissioner will be forwarded back to me by December 2nd, so all of the Commissioner's scorings can be tabulated within one spreadsheet.

At the January 9th meeting, we will:

- Review and discuss the tabulation and the resulting preliminary ranking
- Commissioners will have the opportunity to discuss, and make a case for work items they feel are important.
- Through consensus, the GREDA will make any final adjustments to the ranking
- Lastly, the GREDA will determine which items will be listed as GREDA taking a lead role, a partnering role or a supporting role.

Following that meeting, staff will develop a work approach, based on a quarterly timeline, for each priority issue. This will then be presented to the GREDA for final adoption or adoption with additional changes at the January 23rd, 2025 GREDA meeting.

Please call me if you have any questions at 326.7622.

**GREDA
2025 Work Plan Development**

List of Potential Work Items
11/14/24 Meeting

- 1. _____
- 2. _____
- 3. _____
- 4. _____
- 5. _____
- 6. _____
- 7. _____
- 8. _____
- 9. _____
- 10. _____



Grand Rapids Economic Development Authority 2024 Work Plan

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Industry Advancement/Support						
Continue to assist the L&M Distribution Center project.	Lead	S	<ul style="list-style-type: none"> Complete the process of removing FAA encumbrances on City parcel. Acquire and convey City parcel to L&M 			<ul style="list-style-type: none"> Administer MIF loan for equipment
Continue to support Yanmar Expansion project	Lead	S	<ul style="list-style-type: none"> Administer MIF loan for equipment. 	<ul style="list-style-type: none"> Work with Yanmar on next phase – high bay warehouse 	→	
Continue to work with HWY 35 LLC on current and future development opportunities	Lead	S	<ul style="list-style-type: none"> Review and advise the City Council on any application for a TIF Redevelopment District. Prepare development agreements. 	<ul style="list-style-type: none"> Explore opportunities for collaboration with MN North Itasca Campus Work with spinoff developers/businesses interested in co-location. 	→	

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Industry Advancement/Support						
Ensure an adequate inventory of industrial sites and facilities exist in the community.	Lead	S	▪	<ul style="list-style-type: none"> Consider opportunities to make strategic property acquisitions for future industrial development. 	<ul style="list-style-type: none"> Continue to explore funding opportunities that would support the development of a speculative, flexible, industrial/warehouse building in Grand Rapids. 	▪
Provide as needed support for wood product industries.	Lead	S	<ul style="list-style-type: none"> Continue ongoing regular communications with Blandin Paper management regarding as needed assistance. 	▪	<ul style="list-style-type: none"> Meet with MN Power Boswell officials and explore collaborative opportunities. 	▪
Continue to support our medical service providers to ensure that Grand Rapids maintains and grows its position as a regional hub.	Lead	S	▪	▪	<ul style="list-style-type: none"> Communicate with major providers, Grand Itasca and Essential about trends in rural health care and the buildout of services and jobs to support growth. 	▪
Assist with the redevelopment of the Boswell site.	Partner	M	▪	<ul style="list-style-type: none"> Support County efforts to implement energy transition strategies. 	<ul style="list-style-type: none"> Identify energy transition funding state and federal programs that may be applicable to GREDA efforts toward economic diversification. 	▪

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Housing/Workforce						
Support initiatives addressing workforce and childcare shortages	Partner	M	<ul style="list-style-type: none"> Communicate with industries about their challenges and provide support or connections to support. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Pursue and support initiatives addressing housing shortages	Lead	S-M	<ul style="list-style-type: none"> Continue to support private development interest in housing projects by reviewing proposed uses of TIF and/or Tax Abatement. Support the development of housing on GREDA owned parcels 	<ul style="list-style-type: none"> Work with housing developers, MN IRRR, MHFA, GMHF and Blandin Foundation to incentivize and remove financial barriers for projects. Secure the development of one or more multi-family housing developments. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Transportation/Logistics						
Plan for highway transportation and corridor land use improvements to address underperforming commercial areas and blighted conditions within the City.	Lead	S	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Apply for funding and create a corridor plan along Highway 2 between 6th Ave. E. and 19th Ave. W. that addresses multi-modal transportation issues, city utility replacement needs, blight, environmental contamination, visual appeal and underinvestment. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Transportation/Logistics						
Continue to advocate for highway transportation route improvements to improve linkages between Grand Rapids and the interstate, the Duluth port.	Lead	L	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Have discussions with appropriate agencies, government, and elected officials and sponsor research that supports the prioritization of improvements to the TH2 corridor to Duluth. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Redevelopment & Downtown						
Downtown Plan Implementation.	Lead	S	<ul style="list-style-type: none"> Implement the Downtown Organization project. Assist with the redevelopment of downtown sites, specifically: Pluemers building, IEDC building, GREDA lots, and Block 36. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Assist in advancing an updated vision for use of Central School and its needed building upgrades. 	<ul style="list-style-type: none">
Consider ways to support the relocation/renovation of local small businesses and assist with ADA compliance improvement funding options.	Lead	S	<ul style="list-style-type: none"> 	<ul style="list-style-type: none"> Increase marketing of Downtown Mandated Building Improvement Loan program. 	<ul style="list-style-type: none"> Have discussions with Blandin Foundation about the possibilities of expanding the geographic boundaries of the program. 	<ul style="list-style-type: none">

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Redevelopment & Downtown						
Support the redevelopment of strategic commercial sites outside of the downtown.	Lead	S	<ul style="list-style-type: none"> Support investment interest in the redevelopment of infill sites such as the former Kmart site, former Ray's Sport & Marine, Grand Rapids Marine, Itasca County Farm Co-op, Ben's Bait, Dondelinger Dodge and Ford, former Sawmill Inn site. 	●	→	→
Administration						
Consider ways to diversify the membership of the Commission and amend the meeting format to include updates from local partners/organizations.	Lead	S	<ul style="list-style-type: none"> As membership opportunities arise, recruit applicants that further a diverse board. Invite local partner organizations to provide updates, one presentation per quarter. 	●	→	→
Enhance the marketing of GREDA services and programs.	Lead	S	<ul style="list-style-type: none"> Consider comprehensive updates to the GREDA website under a new platform. Utilize media to communicate the many GREDA successes and raise awareness of GREDA programs. 	●	→	→

Introduction

The economic vitality of a community is critical to its long-term success. Good-paying jobs and a solid tax base are key to providing adequate funding for roads, schools, parks, snow removal, and other services and amenities that retain and attract businesses and residents.

Demographics

The Minnesota State Demographer estimated the City of Grand Rapids population to be 11,389 in 2017. Grand Rapids Township was annexed into the City in phases between 2000 and 2010. Since 1990, the population of Grand Rapids/Grand Rapids Township has been relatively stable, ending on a high note, with 4.7% growth between 2010 and 2017 after sustaining a 2.4% loss between 2000 and 2010.

Between 2017 and 2045, the Minnesota State Demographer projects growth for Itasca County to be less than 1,500. Given these projections and historical population trends for City of Grand Rapids, the City is likely to experience slow to moderate growth. Population shifts within the county could occur (e.g. due to aging rural residents moving into the City for better access to health care) creating a higher rate of growth in the City.

Workforce

While the population is expected to grow at a slow to moderate pace, the workforce is expected to decline about 3.3% during the decade 2020-2030 (see [Table 6.1](#)). As members of the baby boom generation exit the workforce, a smaller cohort of replacement workers (age 25-44) enter the Itasca County workforce.

The labor market is tightening throughout the Northeast MN. According to DEED, the number of job seekers per job has declined from a peak of 11/job in 2009 to .8 in 2018 in the region.

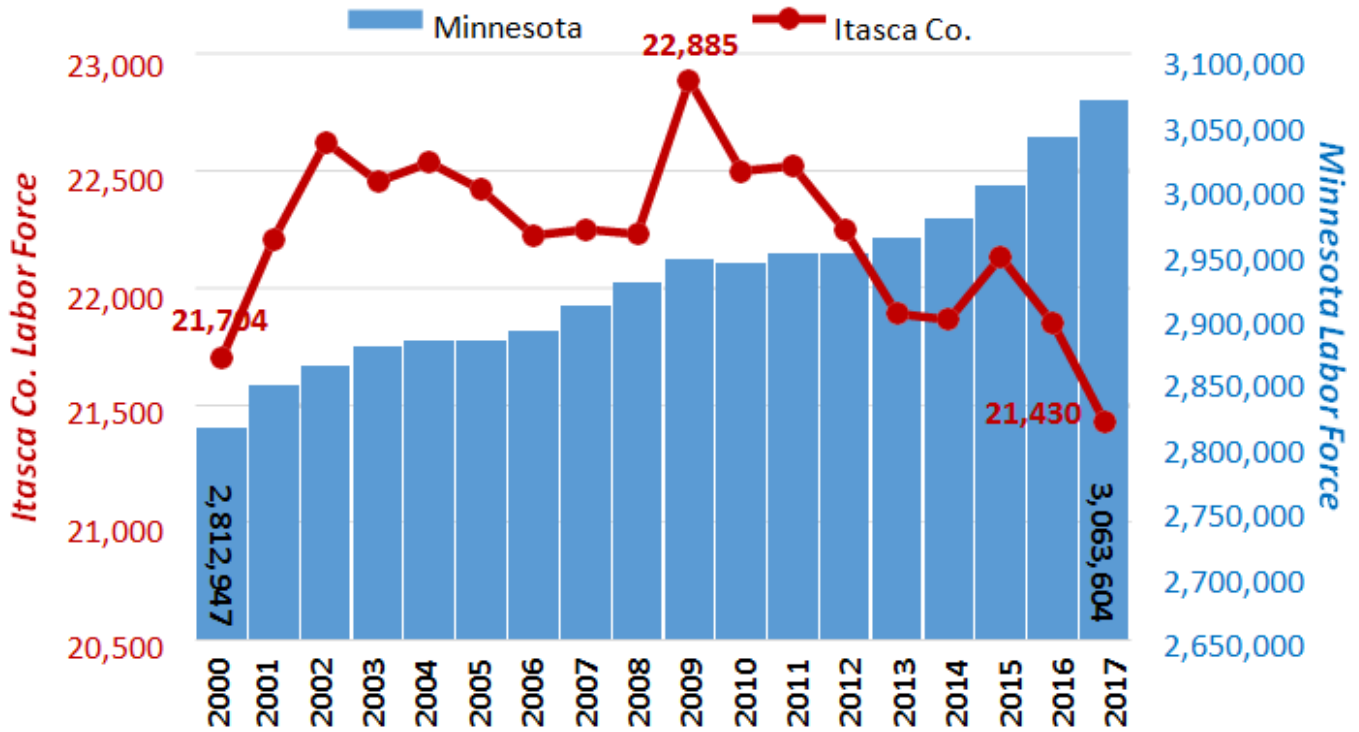
Table 6.1. Labor Force Projections

Itasca Co.	2020	2030	2020-2030 Change	
	Labor Force Projection	Labor Force Projection	Numeric	Percent
16 to 19 years	1,271	1,115	-156	-12.3%
20 to 24 years	2,546	2,562	16	0.6%
25 to 44 years	7,744	8,536	793	10.2%
45 to 54 years	4,134	3,890	-244	-5.9%
55 to 64 years	4,358	3,128	-1,230	-28.2%
65 to 74 years	1,090	1,071	-20	-1.8%
75 years & over	236	365	129	54.5%
Total Labor Force	21,380	20,669	-712	-3.3%

Source: Itasca County Labor Market Analysis, MN DEED, December 2018. Calculated from Minnesota State Demographic Center population projections and 2013-2017 American Community Survey 5-Year Estimates

As shown in **Figure 6.1**, Itasca County’s labor force has been shrinking while the state labor force has grown. During the 15 year period 2002-2017, Itasca County’s labor force showed a loss, -5.3%, while the state labor force showed a gain of 7.1%.

Figure 6.1. Annual Labor Force Estimates
Annual Labor Force Estimates



Source: DEED Local Area Unemployment Statistics (LAUS) Program

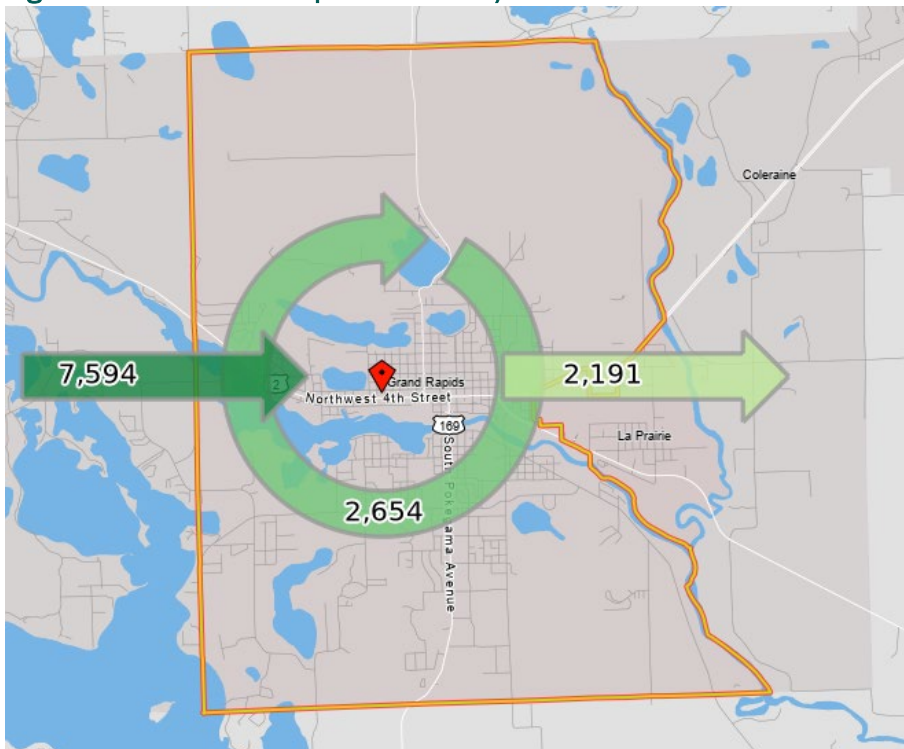
The underlying issue is demographic change and the retirement of a large cohort in the workforce – the baby boom generation. Consequently, talent attraction is a critical issue for businesses and communities across the country. Economic development is increasingly integrated with workforce development, talent attraction and attention to community development factors such as housing, parks and recreation, quality schools and health care. Rural areas face a particular challenge with the attraction of managerial, technical and professional workers because limited employment opportunities can impact the trailing spouse in two-earner households. Workforce development, talent attraction and trailing spouse issues are all considered important by area employers contacted during the economic development research process for the comprehensive plan.

Employment Center

Grand Rapids serves as an employment center for the region. According to the US Census Bureau, 12,439 people were employed in Grand Rapids in 2017. Of these, 2,654 lived and worked in the City; 7,594 commuted into the City for employment; and 2,191 residents were employed outside the City (see [Figure 6.2](#)).

These employment characteristics – strong employment of residents and a significant inflow of workers reinforce the opportunity for Grand Rapids to serve as center for retail trade. Consumers often shop for convenience goods from grocery stores, pharmacies, hardware stores and lumber yards where they work or where family members attend school.

Figure 6.2. Grand Rapids MN Inflow/Outflow Job Counts



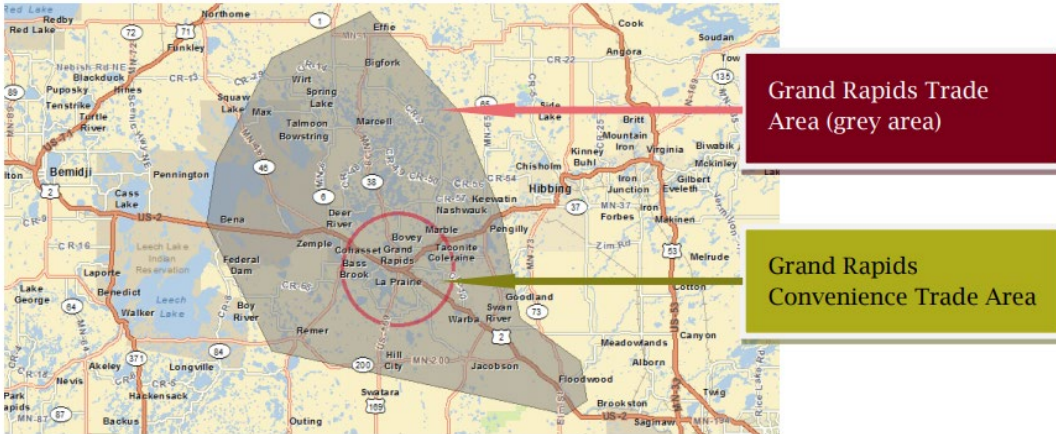
Source: U.S. Census, OnTheMap, LEHD Data

Retail Trade Center

The City of Grand Rapids serves as a retail trade center reaching north to Effie, west to Bena, south to Hill City and Floodwood and northeast to Nashwauk. Bemidji, Hibbing and Duluth are competitive retail centers to the west, northeast and southeast respectively. The University of Minnesota Extension prepared a retail market for Grand Rapids in 2014 and identified the retail trade area as shown in [Figure 6.3](#). In addition to the trade area identified in grey, the U of MN extension researchers identified a Convenience Trade Area (red circle) with a 10-mile radius. The City has a strong “pull factor” and shows particular strength for sales in the following categories that reflect its important role in meeting the daily goods needs of area consumers: grocery stores; beer, wine and liquor stores; sporting goods stores; specialized building material dealers; full-service restaurants; automotive parts, accessories and tires stores; hardware stores, pharmacies and drug stores; sewing goods and needlework stores; motorcycle, boat and other motor vehicles; and home centers. It also shows a sales surplus, compared to national benchmarks in computer and software stores, home furnishings/furniture stores, gift, novelty and souvenir stores, optical goods, footwear and office supplies,

indicating that many people purchase these goods in the community. The research indicated that there is some leakage to other markets for clothing as well as appliances, televisions and other electronic goods.

Figure 6.3. Retail Trade Area

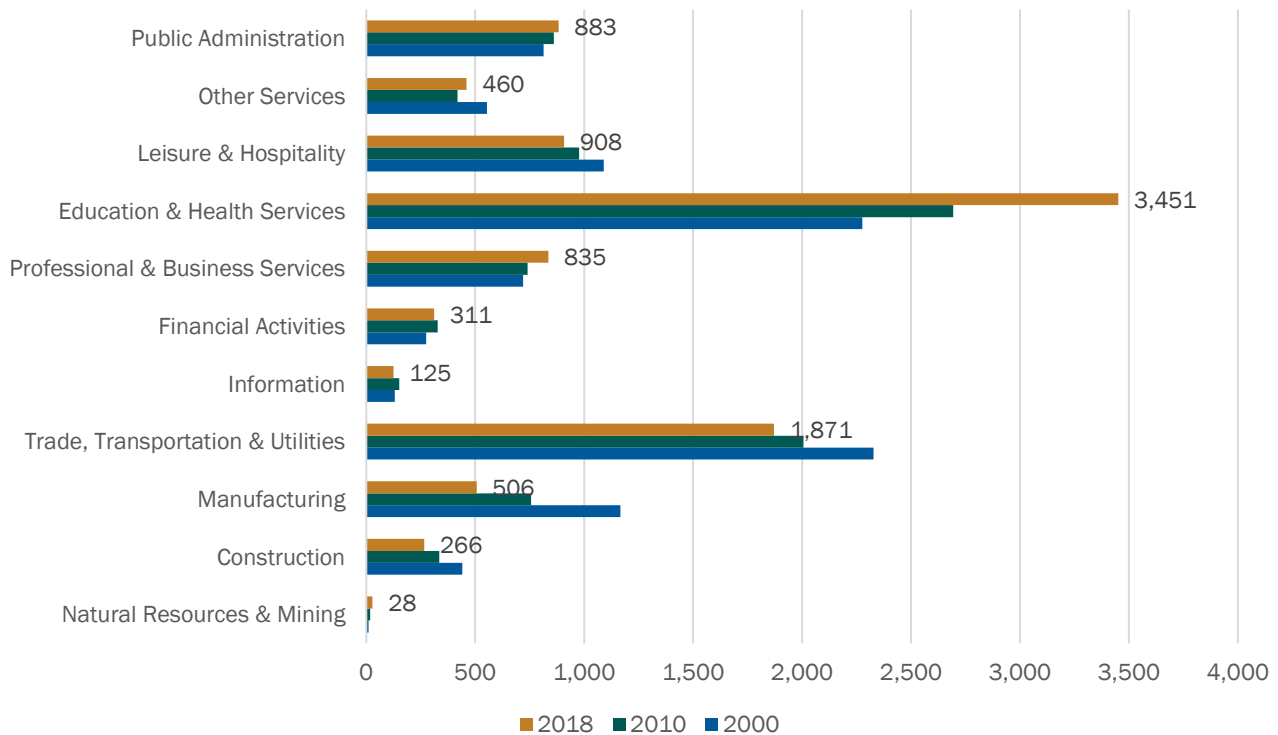


Source: University of MN Extension, January 2014

Employment & Wages

Total employment in Grand Rapids has remained relatively constant over the period 2000-2018. However, the composition of employment has changed. Employment gains of 1,290 in Professional and Business Services, Education and Health Services offset employment losses of 1,290 in Manufacturing, Trade, Transportation and Utilities as shown in **Figure 6.4**. High wage manufacturing jobs have been replaced by lower wage jobs in other sectors, most notably health care.

Figure 6.4. Employment by Industry



Source: Quarterly Census of Employment and Wages

Table 6.2. Average Weekly Wage

	Average Weekly Wage 2018
Natural Resources & Mining	\$2,307
Construction	\$1,013
Manufacturing	\$1,626
Trade, Transportation & Utilities	\$693
Information	\$734
Financial Activities	\$1,032
Professional & Business Services	\$534
Education & Health Services	\$761
Other Services	\$522
Public Administration	\$1,146

Source: Quarterly Census of Employment and Wages, 2018

Table 6.3. Employment Change

	2000	2010	2018	Change 2000-2018
Natural Resources & Mining	11	17	28	17
Construction	440	335	266	-174
Manufacturing	1,166	757	506	-660
Trade, Transportation & Utilities	2,327	2,006	1,871	-456
Information	130	151	125	-5
Financial Activities	274	328	311	37
Professional & Business Services	719	740	835	116
Education & Health Services	2,277	2,693	3,451	1,174
Leisure & Hospitality	1,090	977	908	-182
Other Services	553	419	460	-93
Public Administration	814	860	883	69
Total Employment	9,801	9,283	9,644	-157

Source: Quarterly Census of Employment and Wages, 2000, 2010, 2018

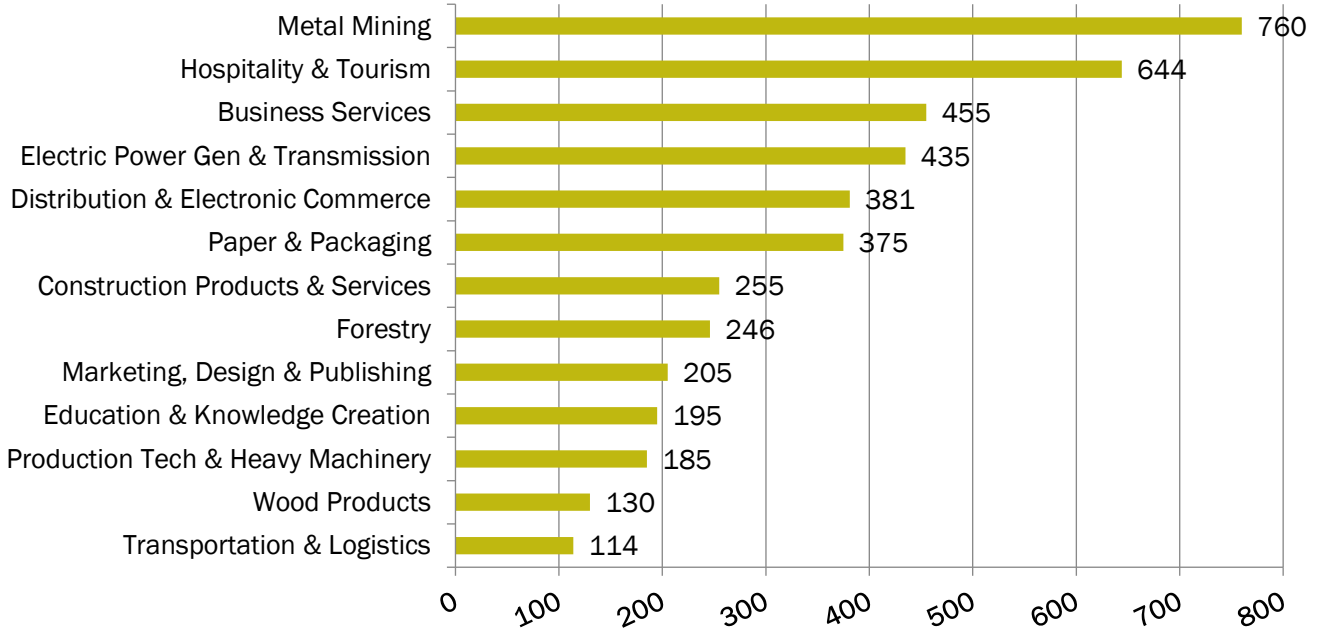
Employment Characteristics

Local economies are characterized by businesses in “traded industry clusters” and “local clusters”.

Businesses **in traded clusters** serve markets in other regions or nations. Traded cluster industries in Grand Rapids include hospitality and tourism, business services, distribution and e-commerce, paper and packaging, manufacturing, paper processing, transportation and utilities, and tourism. Wages are typically higher in traded cluster businesses.

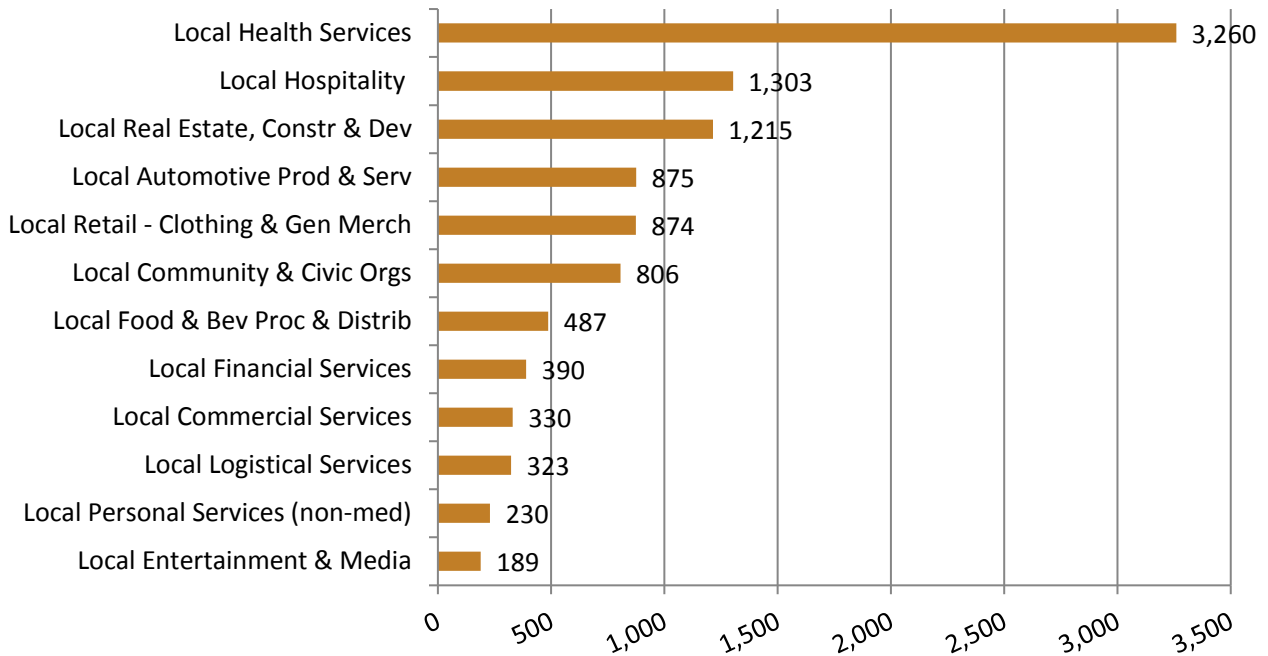
Local cluster businesses sell products or services primarily to the local market. Examples include health care, education and retail businesses such as grocery stores, hardware stores, lumber yards and pharmacies.

Figure 6.5. Itasca County Employment by Traded Cluster, 2016



Source: US Cluster Mapping Project

Figure 6.6. Itasca County Employment by Local Cluster, 2016



Source: US Cluster Mapping Project

Table 6.4. Major Employers in the City of Grand Rapids

	Product/Service	Approximate Number of Employees
ISD #318	Public education	650
Grand Itasca Clinic and Hospital	Health care	526
Itasca County	Government	431
UPM Blandin Paper Mill	Paper mill	240
Grand Village Nursing Home	Skilled care nursing home	250
Arrowhead Promotion and Fulfillment Co.	Promotion and fulfillment processing	220
Wal-Mart Stores, Inc.	Discount retail	183
Minnesota Diversified Industries	Assembly and packaging solutions	172
ASV Holdings	All season vehicle manufacturing	153
City of Grand Rapids	Government	148
Target Corporation	Discount retail	148
MN Department of Natural Resources	Government	135

Source: City of Grand Rapids Website and 2019 Comprehensive Plan employer interviews

Industrial Land

City staff updated the industrial land inventory for Grand Rapids and other area communities in 2019. The City and GREDA have been involved with the development of six industrial parks and have sold a total of 129.4 acres to 29 businesses since 1969. (see [Table 6.5](#)). The average industrial land absorption per year for the period, 1969 to the present, was 2.59 acres per year. For the period, 1992 to the present, absorption was 3.62 acres per year.

Table 6.5. Previously Developed City/GREDA Industrial Property

Plat	Plat Year	Total Acreage	# of Businesses
Industrial Park One	1969	31.8	17
Industrial Park Two	1992	31.7	4
Industrial Park East	1999	5.2	1
Industrial Park East 1st Add.	2001	32.2	2
Airport S. Industrial Park - Phase 1	2007	6.7	3
GREDA IEIP	2010	21.8	2
Total	–	129.4	29

Source: GREDA, 2018

GREDA currently owns 19 serviced industrial sites, totaling 32.4 acres, detailed in [Table 6.6](#). Based on the historic absorption rate 1992- present, the City controls a 9 year inventory. The average site size is 1.7 acres. Based on an assumption of 4.1 acres per business, the City has sufficient inventory for 7 businesses.

Table 6.6. Current Inventory of GREDA Owned, Undeveloped, Industrial Property with Utilities

Plat	Plat Year	Total Acreage	# of Sites
Industrial Park East	1999	14.5	8
Airport S. Industrial Park - Phase 1	2007	9.8	5
Airport S. Industrial Park - Phase 2	2009	8.1	6
Airport Road Site	--	20.0	1
Total	--	52.4	20

Source: GREDA, 2018

Itasca Economic Development Corporation and a private party own an additional 223 acres of industrial property (Itasca Eco-Industrial Park) without sewer and water utilities, detailed in [Table 6.7](#).

Table 6.7. Current Inventory of Undeveloped, Industrial Property with no Utilities

Site Description	Total Acreage	# of Sites
Privately owned, IEIP Site (Grand Rapids)	134.5	1
IEDC - IEIP Site (Cohasset)	63.5	1
Total	223.0	2

Source: GREDA, 2018

The market for industrial land in Grand Rapids will be influenced by the availability of property in Cohasset and Coleraine which are located within 10 minutes of Grand Rapids. These two communities have a total of 5 sites with 12 acres of serviced land available. In addition, Cohasset owns an additional 250 acres of un-serviced land in an expansion area.

Table 6.8. Current Inventory of Privately and Publicly Offered Industrial Sites in Surrounding Communities

Site Description	Total Acreage	# of Sites
Cohasset Industrial Park w/Utilities	2.7	1
Cohasset Industrial Park Expansion Area	250.0	18
Coleraine Eagle Ridge Technology Park	7.5	3
Coleraine Industrial Park	1.8	1
Total	262.0	23

Source: GREDA, 2018

Based on the existing inventory of industrial sites in Grand Rapids and Cohasset, there is no immediate need to purchase additional land for future industrial expansion. The City will want to consider extending utilities to un-serviced GREDA-owned sites to meet market demand.

Economic Development Framework

The Grand Rapids Economic Development Authority (GREDA) plays the primary economic development role in the City. The City and GREDA often collaborate on development related initiatives with local and regional partners, including the Grand Rapids Area Chamber of Commerce, Visit Grand Rapids, Itasca Economic Development Corporation (IEDC), Iron Range Resources and Rehabilitation (IRRR), Area Partnership for Economic Development (APEX), the Northspan Group, Inc. and the MN Department of Employment and Economic Development.

Economic Development Successes, Issues and Opportunities

Development issues and opportunities serve as the foundation for crafting the community’s economic development strategy and priorities. Economic development successes, issues and opportunities identified through an analysis of data and input from the Grand Rapids Economic Development Authority, the comprehensive plan steering committee, interviews with employers and economic development allies (e.g. IEDC, chamber, IRRRB, APEX) are summarized as follows.

Successes

Grand Rapids is perceived as forward-thinking and diversified, especially when compared with other areas of Northeast Minnesota. Community members are proud of recent investments in the new elementary school, the Reif Center update, medical district investments, the collaboration on the new “Y”, the Keisler Wellness Center, commercial rehabilitation projects in the US 169 corridor and downtown, residential developments and the collaboration on arts, culture, recreation and entertainment. These investments and collaborative activities differentiate Grand Rapids and help the community attract young talent. The expansion of ASV, Arrowhead Promotions and the attraction of ACC Manufacturing and Swan Machine are considered important additions to the community’s economic base. Successes identified in the retail sector include downtown projects completed with the storefront loan and DEED Small Cities Development Program funds. Specific commercial redevelopments/developments noted include: Thousand Lakes, Culver’s, L&M Supply, Aldi’s, Hardee’s, Sawmill Inn and the brewpubs.

Strengths

Attractive diversified regional center and tourism destination

Grand Rapids role as a diversified regional center – including a good industrial base, the county seat, community college, medical center, retail hub, small local businesses and state government offices – is seen as the foundation for the community’s future, helping it weather the economic ups and downs of a natural resource-oriented region. The area’s lakes, outdoor recreation opportunities and tourism industry play a valuable role in introducing people to Grand Rapids. The businesses and amenities that serve visitors provide quality of life benefits enjoyed by residents and help attract talent to the community. The community is considered desirable and attractive, drawing more young people than other range communities. Community resources like the well-regarded school district, Blandin Foundation, Blandin leadership program, YMCA, Grand Rapids Area Library, good broadband infrastructure, KAXE, Reif Center, ice arena and trails differentiate Grand Rapids. Throughout engagement, Grand Rapids was described it as “magnetic – people want to live here”. The area convention and visitors bureau, Visit Grand Rapids, is recognized for effective marketing and cultivating a positive image for the community.

Quality workforce

In addition to its good industrial base, the quality of the workforce was recognized by management with experience outside the region. The workforce was described as “one of the best anywhere, technically literate and easy to motivate...just a little guidance, they will take it and run.” Another described it as “skilled and dedicated, with a great work ethic”.

Leadership and culture

Good leadership and a culture of caring for each other are identified as cultural characteristics underlying Grand Rapids success. The collaborative, caring spirit of the community is illustrated by an innovative partnership between the City, the YMCA, eldercare and healthcare organizations and the new Keisler Wellness Center. The City is recognized for effective partnerships with economic development allies and its capacity to put together financing packages needed to make complex development and redevelopment

projects happen in a rural regional center. The Blandin Foundation and a broader culture of philanthropy in the community are perceived as central to the quality of life in the community.

Good planning, infrastructure and development support

Internal and external stakeholders recognize the City for good planning and infrastructure investments including roads, schools, water and sewer, broadband and land for commercial/industrial development. The community’s inventory of industrial sites, including the former Ainsworth “megasite” are recognized as important assets along with sites zoned for commercial development. The City’s capacity to support revitalization of commercial properties is valued. The Commercial Building Improvement Loan and Small Cities grants through GREDA and other local incentives are considered important strengths critical for redevelopment. Developers who understand the Grand Rapids market are considered an asset to the community. They invest in the community, own property long-term and care about their real estate and the community overall.

Weaknesses/challenges/threats

Location and transportation infrastructure

Grand Rapids location and transportation are considered Grand Rapids’ primary disadvantages.

- The distance from major markets creates high freight costs for manufacturers.
- The distance and the lack of four-lane roads between the community and Minneapolis-Saint Paul (180 miles), Duluth (80 miles) and Bemidji (70 miles) are considered barriers to development.
- This challenge is compounded by the lack of commercial air service to Grand Rapids. The nearest scheduled service is in Hibbing, 45 minutes away. Additional options are available in Duluth and Bemidji, each approximately 1.5 hours away.
- An aging fixed base operator (FBO) facility at the airport is perceived by some to create a poor first impression of the community, for those who arrive by private plane.
- Grand Rapids is served by BNSF Railway Co. The lack of a competitive rail service provider affects the rates and quality of service experienced by shippers in the community.
- The community lacks local public transportation.
- The lack of ridesharing options (e.g. Uber, Lyft) impacts residents and visitors to the community.

Workforce and Talent Attraction

Challenges to attracting and retaining a capable workforce sufficient to meet employers’ needs is a challenge across the country as the baby boom generation retires. Smaller communities in rural areas face particular challenges because two-career households are much more typical than they were in the past. Smaller communities offer fewer employment options to both members of the household. This is especially a problem with the recruitment of managerial, technical and professional workers. Finding rewarding employment for the “trailing spouse” can be challenging.

The lack of affordable housing affects many small communities because the cost of new construction often exceeds market values in the community. An aging housing stock and a lack of rental opportunities limits growth and the ability to attract talent. One employer noted the lack of moderately priced housing, condos or townhomes. Another noted, “We need housing that’s affordable for good people in lower wage jobs - bank tellers, resort staff and retail jobs.” Some employers consider the lack of temporary housing for people who move to town from out of state to take employment to be problematic. There are almost no options available. One employer indicated that it works out better if someone moves to the community in the fall and can rent a winterized cabin on the lake until spring. But that’s not a reliable option, because you recruit throughout the year.

The community is considered friendly to people who move into the area, but not inclusive. Consequently, social life can be challenging for newcomers, impacting the ability of businesses to retain recruits. This challenge apparently impacts a broad range of newcomers, but is especially challenging for single people.

The lack of available, reasonably priced childcare limits workforce participation. This is a problem that affects Grand Rapids and communities throughout Greater Minnesota. It is particularly challenging for health care and forest products processing plants and others that operate 24/7.

While the technical aptitude, skills and work ethic of workers in the area are exceptional and valued by employers, competition from the cyclical mining industry can create challenges for manufacturers, who find workers leave them when high-wage jobs are available in mining. Similarly, drivers and loggers leave the forest products industry for similar jobs in the mining industry.

Grand Rapids has a unique opportunity to draw on its September 2019 recognition in USA Today as one of the '50 Best Places to Live in the US' and build a more robust talent attraction initiative.

Downtown and retail challenges

Although there are vacancies and the business mix has changed in downtown Grand Rapids, the community has been reasonably successful in securing reinvestment and updating facades. However, community members are concerned about empty storefronts, Central Square Mall and Central School. They place a priority on downtown revitalization.

Downtown areas have been challenged since the advent of the shopping mall in the late 1950s. Retail formats have transformed from historic "Main Street" shops that are typically deep and narrow with limited parking, to shopping malls and "retail boxes" surrounded by parking lots, often located on a major highway near the edge of town. The trend toward on-line shopping and ever-faster, often-free delivery is disrupting the retail sector. The large aging baby boomer generation is expected to purchase fewer goods and more services. Younger generations express less interest in acquiring things and more interest in experiences than previous generations. In response to these trends, many shopping malls and other retail centers are in the process of changing their business mix and use of space to provide more opportunities for people to gather, engage in activities and entertainment.

Historic downtown areas, often viewed as the "heart of the community", often struggle in the transition to finding a new niche. Services businesses such as legal and accounting firms, title companies, dentists, chiropractors, eye clinics and salons are able to use historic storefront spaces productively. In many cases they choose to own the property also. These types of businesses generate sufficient revenue to maintain the buildings in good condition. Parking demand for staff and customers typically works well with limited on-street parking and possibly alley parking. Accessibility can be a concern, particularly for those in health care related businesses. Some communities have worked successfully with these property owners to create rental housing opportunities in upstairs apartments. However, these types of services businesses don't bring "shoppers" to a commercial district.

It is challenging with independent business and property owners to be strategic about tenant mix. But a strategic tenant mix benefits business owners, property owners and the community in the long term. Property owners and cities have successfully identified districts that concentrate businesses that can benefit each other – concentrations of outdoor and arts-oriented businesses, breweries with adjacent restaurants or space for food trucks, restaurants and bars near theaters and bowling, coffee shops adjacent to bookstores, yoga and fitness studios near health food stores. A collective focus on the customer and the customer experience is important to revitalization efforts.

Some businesses in communities with a limited tourism season are able to develop an on-line sales presence to supplement storefront sales. Promotion of this model and related technical assistance can help develop or preserve visitor-oriented shopping areas.

The commercial corridor on US 169 has seen investment over the past decade. But retailers have begun pulling back recently. The closure of Herberger’s and Shopko stores nationally has been challenging for many communities. Attempts at retail attraction locally face headwinds with changes underway in the retail sector nationally. Grand Rapids developers have pursued some retail businesses, but find that the community’s population threshold is below the market requirements of some businesses the community would like to attract. Consequently, larger nearby markets like Duluth and Bemidji draw shoppers from Grand Rapids.

Loss of high paying jobs with good benefits

The loss of high paying jobs with good health care benefits (e.g. Blandin Paper, Magnetation) has ripple effects in the community. Fewer employees with good health care benefits has a negative impact on the health care system in the community. The baby boomers who retired from Blandin have financial resources and good benefits, which are still supporting the local economy, but their economic contribution will wane over the next 10 – 20 years.

Loss of visitor amenities and meeting rooms

The tourism industry was described as stronger in Grand Rapids when Quadna Mountain and Sugar Hills attracted winter visitors to the community. There’s a perceived decline in the number of tourism-oriented businesses over many years. Most recently the community experienced the closure of the Sawmill Inn, a hotel with dining and meeting rooms. Redevelopment of the property is underway.

Competitive Business Climate

Community leaders spoke about the challenge of providing the amenities people want, and the importance of maintaining a competitive business climate with regard to taxes, utility rates and regulation. The City of Grand Rapids adopted and enforces the Minnesota State Building Code. It is illegal for cities with a population over 5,000 to repeal the state building code. Some townships and cities in the area have not adopted the state building code and this creates some confusion. It was noted through engagement that cold temperature and snow removal are business expenses over which a business owner has no control – adding to the challenge of doing business in the North Country.

Opportunities

Community and economic development stakeholders identified many opportunities for strengthening Grand Rapids economic vitality. They are organized into the following topic areas.

- Talent attraction
- Workforce development
- Development and redevelopment
- Economic diversification
- Forest products and mining
- Visitor infrastructure
- Leadership development
- Transportation infrastructure

Talent attraction

A variety of Grand Rapids area employers need to attract talent from outside the area to manage or grow their operations. Many of these positions are managerial, technical and professional. Communities and employers across the country are working together on talent attraction.

There is significant interest in being more aggressive on talent attraction. The City and IEDC have participated supported the creation of NORTHFORCE website, which serves as job connection website for Northeast Minnesota (e.g. job posting, resume posting). There is interest in providing additional information about the Grand Rapids area as a place to live for people relocating or considering relocation to the community. Existing community websites target other audiences – Visit Grand Rapids targets visitors and the City website is oriented to existing residents. Attraction/relocation websites focus on prospective residents and promote the community as a place to live, work and play.

An interview participant suggested creating programs to reach young people who grew up in the Grand Rapids area and went away to attend college/university to encourage them to return home in their late 20s or early 30s. Another person interviewed focused on exploring and creating a better system for talent attraction. “Who do we need to attract? Where are we posting? How do we recruit people who aren’t looking for a job? How can we use social media effectively to support talent attraction?”

Other rural communities are facing similar talent attraction challenges. The Brainerd Lakes Area Development Corporation created the Key Recruitment Program, a fee-for-service and membership program designed to help businesses in the Crow Wing County area find top-notch candidates to fill key professional positions. The program was funded by BLAEDC, the Blandin Foundation and four founding business members. The program has proven successful over several years and is highly regarded by the business community.

Some communities have developed relocation support systems that involve community leaders and human resources professionals. Such networks provide assistance to identify career opportunities for the spouse of an individual being recruited to a community. Co-working sites and support for entrepreneurship may also help a “trailing spouse” find a rewarding career path in the community. Relocation support networks can be designed to welcome individuals and families and help them make social connections tailored to their personal interests to help retain them in the community. Employee recruitment and turnover are expensive, so businesses consider community relocation support programs to be a good investment.

There appears to be a need for temporary housing for relocating professionals. The extent of the market should be explored with employers who are involved with external recruitment. If demand is relatively small, it may be possible to integrate appropriate housing options into other housing or hospitality projects and help ease the transition for individuals and families.

Housing market studies that are updated on a regular basis help guide development and encourage successful investment. Multi-family senior housing was identified as an option that may be attractive to seniors, freeing up single-family homes for younger families. There is interest in supporting investment and development of sites in Grand Rapids for high-demand market segments. Community and economic development stakeholders suggested that workforce housing is a current need.

The creation of additional childcare capacity can help attract existing residents to participate in the workforce and can factor into relocation decisions. The lack of childcare is a barrier to labor force participation, especially in rural areas of Minnesota. Community support for childcare options may be needed to overcome market challenges.

Workforce development

Itasca Community College and the Grand Rapids School District are well-regarded partners in workforce development for the community and can help retain young people in the community and put them on a path to skilled employment in the area. There was strong interest in innovative models. School districts that have created exceptional school-to-work programs in partnership with area employers include Hutchinson and Alexandria, MN. Paynesville recently completed the first year of an entrepreneurship program at the high school level; the new program was fully enrolled and is supported by the Paynesville Area Community Foundation.

An interview participant indicated an interest in establishing a satellite relationship with a college like St. Scholastica or St. Thomas, possibly in Central School, with a focus on programs to support entrepreneurship, engineering and liberal arts. The City of Apple Valley has successfully co-located satellite operations of several educational institutions in its former City Hall to make higher education options more accessible “south of the river” in the metro area.

Development and redevelopment

Cities typically play an important role in stimulating physical development and redevelopment opportunities. The following sites and areas are considered priority sites for Grand Rapids over the next 1-10 years.

- Downtown Grand Rapids
- Central School
- Former School Sites (Forest Elementary)
- Former Kmart Site
- 20 acre site near Walmart/Home Depot
- Sawmill Inn
- Former Ainsworth Site (Itasca Eco-Industrial Park)
- Former Ray’s Marine Site
- DC Manufacturing
- Residential development sites – market opportunities for workforce and senior housing



Downtown seemed to be the greatest concern to most people. The efforts to date involving the state Small Cities Development Program and local loan funds are highly regarded. Façade improvements are valued, but one interview participant wondered if there is a need for more financial support to address deeper code issues, such as compliance with ADA accessibility laws, upgrade of electrical and HVAC systems, etc. There is also interest in “activation” of downtown.

Recent examples of downtown activation include:

- Sculptures, sidewalk poetry and murals installed by the Grand Rapids Arts and Culture Commission
- The “First Friday Arts Walk” has enjoyed success in recent years
- The recent addition of a brewery and wine-bar downtown

Activation typical involves creation of engaging design features and cultivating a business mix and events that draw people downtown for activities. The events may be sponsored by businesses, non-profits or the community.

On the industrial front, there’s periodic demand for warehouse space and inadequate capacity. It is difficult for developers to build or buy and hold speculatively. However, it is also important to be able to move quickly. When orders come in, businesses often need to expand capacity quickly. Grand Rapids could consider options like a multi-tenant warehouse or a “paper spec” warehouse. Communities work in advance on “paper spec” buildings with developers to speed approval processes and avoid the risk of a vacant building. Advance work by the City and developer includes identifying shovel ready sites, designing prototype buildings in several sizes (e.g. 30,000, 50,000 and 70,000 square feet), maintaining current cost estimates and preparing prototype financing packages and lease rates. This can reduce construction timeframes by several months. The incentive of time can be as important to some businesses as a financial incentive from a community.

Arts and Culture

Arts and Culture is a vibrant component of life in Grand Rapids. Throughout engagement efforts, the success of public art and the arts and culture movement were highlighted for their support of community culture and sense of place. Connections were also drawn between public art and economic development. The Creative MN report, published in 2015, specifically explore the impact of arts and culture on Grand Rapids. According to the report, the arts and culture sector has spurred \$5.1 million in economic impact within the community. That is an imp of \$467.38 per resident. In 2015 a total of 139 jobs were tied to the arts and culture sector and generate \$3,244,000 in household income. Additionally, 54 individuals volunteered for over 2,600 hours across three organizations – valued at \$58,878. It was also estimated that the arts and culture sector hit an audience of over 86,000 people in 2015 – that is nearly 8 times the number of residents in Grand Rapids. Between the Creative MN data and the input gathered throughout the planning process, arts and culture efforts provide a larger opportunity for economic growth within Grand Rapids.

Economic diversification

Community members are interested in economic diversification. A participant noted, “The economy will be more stable long term with 10 small businesses with 40-50 jobs than 2 businesses with 200-300 jobs. Small businesses not dependent on mining or forestry are ideal, because they would be less vulnerable to the ups and downs.”

There’s a recognition that it can be challenging to recruit manufacturing jobs to Grand Rapids because of the distance to market and transportation infrastructure. Diversification into business and professional services that can be “transported” via the internet have expanded into Bemidji, Duluth and other communities in Northeast Minnesota. These types of businesses are considered a potential opportunity for Grand Rapids. Examples of these types of businesses include insurance company or financial services back offices; software development and tech support operations; marketing and communications firms; consulting; and planning, engineering and ecological services firms.

Grand Rapids has some unusual assets that may differentiate the community for the right business. The former Ainsworth site, a “megasite”, is approximately 135 acres. It is served by rail and heavy duty electrical.

It's possible to extend City services to the site. In addition, Grand Rapids has excess wastewater treatment capacity, which could be attractive to certain businesses, most likely a forest products processing operation.

Entrepreneurship and small business development can help diversify the local economy. The internet and shippers like FedEx and UPS enable many small businesses in remote locations to access national and global markets. The internet and shipping/delivery services can also help local artists and tourist-oriented retailers reach a broader customer base year-round.

There is interest in local food and beverage businesses (e.g. distilleries, breweries). These small businesses can be attractive to visitors, residents and have the potential to export higher value food and beverages to markets outside the community.

Forest products and mining

Due to the closure of the paper mill in Sartell, oriented strand board (OSB) operations and the downsizing of Blandin Paper, the timber harvest in the Grand Rapids region has diminished. Several community members knowledgeable about the forestry industry indicated that there is an abundance of resource available in the area and a need for increased harvesting to encourage regeneration and diversity.

Grand Rapids has the potential to host a next generation forest products processing operation when market conditions are right. UPM/Blandin owns of 188,000 acres of forest land that can't be developed or broken up, which could supply operations involved with bioplastics, biomaterials or biofuels. Several people suggested that the community needs to encourage expansion of biomaterials and fuels in Grand Rapids, particularly while the logging infrastructure is in place in the region.

There is also potential to for additional mining activity in the Greater Grand Rapids area. Projects that have some potential include reactivation of the former Magnetation facility and the stalled Essar steel project. The community and region have a strong history in mining that has contributed to economic development. Between the location of headquarters and services and employees locating to Grand Rapids throughout the years, the mining industry has helped shape the community. While the extraction of mining resources within Grand Rapids is limited to costs and industry technologies, the mining industry should continue to be viewed as an economic development opportunity.

Visitor infrastructure

Several people identified an opportunity to create more for visitors and summer lake families to do when they are in the area. Currently the Forest History Center, Judy Garland Museum and local theater are the primary "rainy day destinations" for visitors. Additional options suggested that could attract the next generation include hiking and mountain biking facilities, canoe trails and family-friendly activities like miniature golf.

Hotels in the area report that they are often at capacity and there is limited meeting room and banquet space. A market study could clarify market conditions and encourage investment. A hotel could be strategically located or co-located to stimulate additional business or visitor activity.

Leadership development and volunteer engagement

Leadership development is important to one seasoned community leader who has learned, "We can't look to state or federal government – must drive our own prosperity locally." Community leaders spoke regularly about the value of Blandin's leadership development program and the need to engage and cultivate the next generation of volunteers and leaders. InterCity Leadership visits were identified as an important way to help community leaders envision new ways to enhance the community and strengthen its economy.

There is interest in engaging multiple generations in volunteer and leadership activities. Recent retirees from the metro area living in the lakes area around Grand Rapids are perceived as an asset that could be cultivated. Young people who have returned to the community seem to want to help and be engaged. Communities or chambers frequently support and encourage social organizations for emerging leaders that offer professional development, networking opportunities and an introduction to City, county and non-profit organizations serving a community.

Transportation Infrastructure

Transportation infrastructure investments are expensive and take years....and even decades to come to fruition. While it typically takes a long time, noted one community leader, “You have to start sometime or it will never happen.”

Three transportation investments were identified during the research process.

- Establish a corridor coalition to advocate for 4-lane access to Grand Rapids
- Diversify rail service providers in the area to get competitive pricing
- Plan for and build frontage/backage roads in the commercial area along on US 169

Goals and Objectives



As noted within Chapter 3, goals and objectives were developed for each plan element in support of the 2040 Vision and Guiding Principles. The goals and objectives defined within

these chapter should be considered as economic development decisions are considered.

Goal – Statement of a desired vision (i.e., what is the future of the various elements within).

Objective – Statement of a defined action or policy that provides guidance in achieving the established goal.

Goal 1: Create jobs and income. The City’s economic infrastructure sustains the City’s households and the households of many people in surrounding communities. Building the City’s economic base is not an end in itself, but rather is a primary component for achieving many of the community’s goals. Creating economic opportunity for current and future residents is a primary Comprehensive Plan goal.

- a. **Ensure that job creation efforts include high-wage/high-quality jobs.** In order to support and sustain their households, residents need to have economic opportunities that pay a good wage and provide benefits that households need. While not all jobs need to be high-wage, the City should emphasize the creation of high-wage, high quality jobs through its programs and policies.
- b. **Enable the retention and expansion of existing businesses.** Creating jobs by expanding existing businesses is the most productive way to expand economic opportunity. Grand Rapids Economic Development Authority members will be actively engaged in business retention activities, particularly for higher wage employment opportunities. The City will partner with other economic development organizations to coordinate retention/expansion activities and ensure efficient use of resources.
- c. **Recruit new businesses and support entrepreneurs that add jobs and income opportunities.** Businesses in other regions looking for expansion opportunities and entrepreneurs who create new businesses can contribute to creation of jobs and income opportunities. The City should take strategic actions that encourage outside investment in Grand Rapids and entrepreneurship from within the community.

Goal 2: Enhance the local quality of life. A vibrant economic base should provide for a high quality of life for residents and visitors. A high quality of life simultaneously encourages outside investment in Grand

Rapids and supports the attraction of talent to the community. Taking steps to improve quality of life is thus both an important goal and a key strategy for meeting other economic development goals.

- a. **Provide affordable housing opportunities.** Housing that is safe, affordable, connected to the community is essential to maintaining residents' quality of life. The City will work to ensure that a range of housing options is available in the local market and will consider how well affordable workforce housing is located relative to job centers. The City will work with governmental, non-profit, and private entities to accommodate the variety of incomes and household types in Grand Rapids.
- b. **Develop a thriving downtown.** The downtown is more than a collection of businesses. More than any other place, the downtown is the symbol of the community, the place that visitors and residents alike think of as the heart of the City. The City will treat the downtown as critical economic infrastructure and recognize the relationship between the downtown and the rest of the community in land use, infrastructure, and economic development activities.
- c. **Better utilize the River as an economic asset.** The Mississippi River centers and defines much of Grand Rapids. The River is an economic, natural resource, and cultural asset to the community. The City will encourage economic use of and redevelopment along the River that also protects its natural and cultural significance.
- d. **Support arts, recreation, and educational assets.** Grand Rapids' lifelong educational system, recreational assets, and artistic venues is important to attracting and retaining talent. The City recognizes both the substantial quality of life implications of these assets and the economic benefits of investments in education, recreation, and the arts.
- e. **Encourage a mix of local services and retail goods adequate to meet regional demand.** Quality of life is enhanced when City residents, residents of nearby communities, and visitors have a diverse mix of retail and service options to meet their needs. Grand Rapids can strength its role as a regional retail and service center by enhancing the quality of life for residents of the region. The City will encourage a diverse range of retail and service businesses to improve quality of life.

Goal 3: Build the City's economic sustainability. An economic base that is fraught with risk and uncertainty is not sustainable over time. Improving economic sustainability means reducing risks associated with known economic cycles and regional economic uncertainties. Economic sustainability also requires understanding and addressing the relationship between the City's economic base, workforce, social and neighborhood assets, and natural infrastructure.

- a. **Increase diversity of economic base.** The City's industrial economic base is closely associated with natural resource industries and specific national markets. Encouraging investment in industries that are independent of these cycles and markets will lower risks associated with economic cycles. The community's broadband infrastructure is a competitive advantage that can enable businesses to bring outside revenue into the community without transportation considerations. Business services that address external markets, such as insurance company back office operations, software development and customer service operations will be targeted as a potential market.
- b. **Support talent development and attraction.** Changing demographics are expected to constrain the labor force locally, regionally and statewide in coming years. Support initiatives that develop local talent for area industries, attract talent to the area and retain older workers in the labor force.
- c. **Improve utilization of local resources, assets, and goods.** The City and region have valuable resources with economic value. Use of local resources rather than equivalent non-local resources makes the region's economic infrastructure more productive and less subject to forces beyond the City's control. The City will strive to improve economic sustainability through improved utilization of local resources.
- d. **Support the City's historic competitive strengths, including established heavy industry and manufacturing.** Economic sustainability requires that the City understand and support its competitive strengths. Natural resource industries, particularly the paper and pulp industry, will remain critical to creating economic opportunity for current and future residents.

- e. **Support investment in regional assets such as medical services.** The 2003 Plan helped usher in the integration and expansion of medical services into the medical campus. Supporting this economic infrastructure helps maintain the City’s position as a regional economic center.
- f. **Support investments with tourism value.** The hospitality and tourism industry serves several valuable talent retention and attraction functions. It introduces people to the City of Grand Rapids who may consider moving their residence or business to the community. Visitor-oriented businesses and amenities like restaurants, meeting rooms, trails, and retail establishments typically improve the quality of life in the community and are valued by area residents and businesses.

Implementation Strategies



The implementation strategies defined within the following pages provide specific actions and measures that the City can deploy to meet the goals and objectives of this chapter. The strategies identified in the following table should be reviewed on a regular basis to ensure that the City continues

to take action towards its desired future. Additionally, this list should be updated and modified as strategies are accomplished.

Implementation Strategy –
Defined action or measure that the city will work towards to achieve the goals and vision of the Comprehensive Plan.

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p>Business Retention/Expansion</p>	<p>Continue to monitor changes in the market and efforts needed for existing business retention and opportunities for expansion.</p>	<p>Support and participate actively in business retention and expansion programs with partners citywide, with an emphasis on primary sector businesses. Work to sustain businesses in their existing spaces, or to find new appropriate space for businesses looking to expand.</p>	<p>Same as Short Term Action</p>	<p>Primary: Community Development Secondary: Economic Development Authority (EDA)</p>
<p>Market Research, Marketing and Promotion</p>	<p>Continue to support actions that market Grand Rapids' identity in regional and statewide markets, particularly in key tourism and targeted industry markets.</p>	<p>Consistent with the desired mix of land uses as discussed in the Comprehensive Plan, engage in direct marketing and solicitation of private development interest to create value on property that Grand Rapids Economic Development Authority (GREDA) controls.</p> <p>Refresh promotional efforts to market GREDA industrial parks and vacant commercial properties. Support marketing and recruitment efforts of others for new industrial tenants to the Eco-Industrial Park.</p> <p>Identify retail gaps and recruit businesses that meet market needs/opportunities.</p> <p>Partner with <i>Visit Grand Rapids</i> to commission a hotel and meeting space market study.</p>	<p>Encourage public and private sector entities to refresh branding and marketing goals on a regular basis.</p>	<p>Primary: Community Development Secondary: Economic Development Authority (EDA)</p>

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p>Funding and Financing</p>	<p>Continue to develop ongoing funding and support for GREDA in order to assure ongoing implementation of economic development goals.</p>	<p>Seek more funding (such as the Small Cities Development Program) to expand and create programs enhancing/ rehabilitating existing commercial buildings, and market the programs to an expanded target area, consistent with the Comprehensive Plan.</p> <p>Review financing tools available to support entrepreneurs, existing industries and attract targeted industries with area lenders and economic development professionals. Identify challenges and gaps. Consider creation of funds that address the challenges and gaps (e.g. technology loan fund).</p>	<p>Same as Short Term Action</p>	<p>Primary: Community Development Secondary: Economic Development Authority (EDA)</p>
<p>Downtown Revitalization</p>	<p>Continue support for events and temporary land uses in the downtown that create community-gathering places and activate the downtown, such as the farmers market, musical activities and the art crawl.</p>	<p>Promote and assist private investment interest in privately held priority sites identified within the <i>Downtown Redevelopment Master Plan</i> and <i>Riverfront Framework Plan</i>.</p> <p>Prepare an updated downtown revitalization and riverfront plan.</p> <p>Consider methods of facilitating public realm investments.</p> <p>Seek partners in developing new artistic and cultural assets.</p> <p>Enhance vitality of Central School block.</p> <p>Consider an area plan focused on improvements to the public realm and private commercial redevelopment along US Highway 2 corridor.</p>	<p>Same as Short Term Action</p>	<p>Primary: Community Development Secondary: Housing and Redevelopment Authority (HRA), Engineering</p>

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p>Real Estate Development and Revitalization</p>	<p>Continue to link economic development initiatives to the Comprehensive Plan goals and objectives, including consistency with the Future Land Use Map and the policy preference to support and create high quality, high wage jobs.</p> <p>Maintain an up-to-date website that promotes GREDA capabilities, including available sites, incentive programs, research and Grand Rapids community assets.</p>	<p>Apply for Minnesota "shovel ready" certification from DEED for Industrial Park East.</p> <p>Aggressively market Block 5 (city-owned site, formerly Northern Recycling).</p> <p>Support reestablishment of an industry at the former Ainsworth site.</p> <p>Work with county and regional partners to address the MN Power site and other significant sites.</p> <p>Address lack of industrial building inventory. Consider creating “paper spec” industrial building options (e.g. 30,000 square feet, 50,000 sf, 80,000 sf) to provide greater certainty and reduce development timeframes for prospective users. Evaluate market potential for multi-tenant warehouse/production space. Explore how other communities have used non-profit and for-profit development corporations to invest in industrial real estate. Based on this research, develop an implementation strategy appropriate for Grand Rapids market and investment conditions.</p>	<p>Implement recommendations of the updated Downtown Revitalization and Riverfront Plan.</p>	<p>Primary: Community Development</p> <p>Secondary: Economic Development Authority (EDA)</p>

<p>Diversification</p>	<p>Recognize the components of the existing market and identify areas for diversification.</p>	<p>Recognize the components of the existing market and identify areas for diversification.</p>	<p>Investigate competitive opportunities to use Grand Rapid’s information and communications infrastructure to develop businesses that have a state, regional or national market, including business services such as insurance company back office operations, software maintenance and development, customer service operations, sales and consulting operations, and micro-office (home-based or co-work) service businesses.</p> <p>Support continual investment in medical technology, training, and marketing to enhance Grand Rapids position as the regional center for medical services.</p> <p>Create programs or other support to ensure that opportunities for entrepreneurs (capital, space, technical assistance, etc.) match the evolution of markets.</p>	<p>Primary: Community Development Secondary: Economic Development Authority (EDA)</p>
-------------------------------	--	--	---	---

Diversification (Continued)

Recognize the components of the existing market and identify areas for diversification.

Recognize the components of the existing market and identify areas for diversification.

Encourage existing businesses to meet the evolving demand for services and goods that accompanies the demographic changes occurring in Grand Rapids and the market opportunities associated with a new generation of potential visitors.

Work with State and local partners to identify under-used local resources and facilitate entrepreneurial efforts to treat waste products as a resource, including waste heat and waste materials from industrial operations. Consider opportunities for programs supporting new markets such as bio-energy.

Support manufacturers' efforts to diversify product lines and create products that address diverse markets to provide greater stability through various economic cycles.

Primary: Community Development
Secondary: Economic Development Authority (EDA)

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p>Workforce</p>	<p>Continue to monitor employment rates and unfilled positions across various sectors</p>	<p>Work with DEED regional labor market analyst to identify existing and anticipated skills shortages in the Grand Rapids area.</p> <p>Support initiatives that strengthen retention of existing talent, including retention of older workers in the labor force and engagement of young people in leadership and community development. Long-term implementation strategies are described below.</p>	<p>Work with the School District and Itasca Community College to develop additional educational infrastructure to support existing and emerging industries.</p>	<p>Primary: Community Development</p> <p>Secondary: Economic Development Authority (EDA)</p>

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p>Policy and Infrastructure to Support Economic Development</p>	<p>Promote and support the continued work of the Grand Rapids Economic Development Authority.</p> <p>Collaborate with the Itasca EDC on regional economic development efforts.</p>	<p>Promote and support the continued work of the Grand Rapids Economic Development Authority.</p> <p>Collaborate with the Itasca EDC on regional economic development efforts.</p>	<p>Explore options for getting 4-lane access to Grand Rapids. Establish a coalition to advocate for transportation improvements to Grand Rapids.</p> <p>Recognize the City’s arts, recreation and entertainment assets as a critical component of meeting economic development and talent retention/attraction goals. Consider programs to encourage artistic and cultural entrepreneurs, reduce seasonality and extend the season for the visitor industry.</p> <p>Continue to prioritize high quality, high wage jobs in economic incentive programs. Consider opportunities for additional regulatory efficiencies to minimize barriers to business expansion</p>	<p>Primary: Community Development</p> <p>Secondary: Economic Development Authority (EDA)</p>