



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, August 08, 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, August 8, 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 July 25, 2024 regular meeting.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$79,600.00

PUBLIC HEARING

3. Conduct a public hearing to consider the sale of land to Unique Opportunities Grand Rapids LLC.

BUSINESS

4. Consider the adoption of a resolution supporting the creation of a TIF District, approving a Purchase and Development Agreement between the City, the Grand Rapids Economic Development Authority and Unique Opportunities Grand Rapids LLC, and approve the sale of land therein.
5. Consider the adoption of a resolution authorizing the issuance of taxable revenue notes to the Charles K. Blandin Foundation pursuant to Program Related Investment Agreements for Commercial Building Improvement and Redevelopment Loan programs.
6. Review and consider budget recommendations for 2025 GREDA Operating Budget and levy for Capital Projects Fund.
7. GREDA Website Proposal

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, July 25, 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, July 25, 2024 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik  
President Sholom Blake  
Commissioner Wayne Bruns  
Commissioner Tom Sutherland  
Commissioner Bill Martinetto  
Commissioner Molly MacGregor

ABSENT

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 approval of minutes from the July 11, 2024 regular meeting.

Motion by Commissioner Hodnik, second by Commissioner Bruns to approve the minutes from the July 11, 2024 regular meeting. The following voted in favor thereof: Hodnik, Bruns, MacGregor, Blake, Martinetto, Sutherland. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$47,524.61.

Motion by Commissioner Bruns, second by Commissioner Sutherland to approve the claims in the amount of \$47,524.62 and have Mr. Mattei look into the cost of title insurance. The following voted in favor thereof: Sutherland, Martinetto, Blake, MacGregor, Bruns, Hodnik. Opposed: None, motion passed unanimously.

BUSINESS

- 3. Consider adopting a resolution approving a first amendment to the Purchase Agreement between Deerwood Bank and the Grand Rapids Economic Development Authority.

The first amendment allows for the closing date to be extended to on or before July 30, 2024 and a 3rd parcel to be conveyed at the time of closing.

Motion by Commissioner Bruns, second by Commissioner Martinetto to adopt a resolution approving a first amendment to the Purchase Agreement between Deerwood Bank and the Grand Rapids Economic Development Authority. The following voted in favor thereof: Hodnik, Bruns, MacGregor, Blake, Martinetto, Sutherland. Opposed: None, motion passed unanimously.

UPDATES

HRA land sale- The closing date is set for August 30th, 2024.

Blandin Foundation Grant Application- The application for the Hwy 2 Corridor study will be submitted next week.

The Downtown Advisory Committee- They will be holding a planning meeting next week to discuss implementation of the work plan and budget.

GREDA Airport land purchase- The County Board approved the purchase it will go to the City Council for approval August 12th.

Unique Opportunities- The GREDA will conduct a public hearing on August 8th regarding the sale of parcel 91-410-2020.

Oppidan Housing- They will find out if they received a grant from Minnesota Housing in August.

ADJOURN

There being no further business the meeting adjourned at 4:18 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: 08/02/2024  
 TIME: 14:58:33  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 08/08/2024

VENDOR #	NAME	AMOUNT DUE
-----		
EDA - CAPITAL PROJECTS		
	DWNTOWN PLAN PJT-BLANDIN GRNT	
0504100	ECONOMIC DEVELOPMENT SERVICES	4,600.00
	TOTAL DWNTOWN PLAN PJT-BLANDIN GRNT	4,600.00
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$4,600.00
CHECKS ISSUED-PRIOR APPROVAL		
	PRIOR APPROVAL	
1100545	KAXE/NORTHERN COMMUNITY RADIO	75,000.00
	TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF	\$75,000.00
	TOTAL ALL DEPARTMENTS	\$79,600.00



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** August 8, 2024

**STATEMENT OF ISSUE:** Conduct a public hearing to consider the sale of land to Unique Opportunities Grand Rapids LLC.

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

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### **BACKGROUND:**

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

### **RECOMMENDATION:**

Conduct a public hearing to consider the sale of land to Unique Opportunities Grand Rapids LLC.

### **Public Hearing protocol:**

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

Close the public hearing.

### **REQUIRED ACTION:**

Conduct a public hearing to consider the sale of land to Unique Opportunities Grand Rapids LLC.



# **Tax Increment Finance (TIF) Housing District 1-16**

**Unique Opportunities Grand Rapids, LLC.  
Block 20/21 Downtown Apartment Project**

**August 8, 2024**



# Project Background

- **Unique Opportunities Grand Rapids, LLC of Alexandria, MN (Developer) filed an application for TIF Business Assistance on February 8th of this year requesting Tax Increment Financing (TIF) in the amount of \$1,328,254.**
- **Project Scope – The Developer’s application detailed a proposal for the development of a 63-unit 4-story apartment, with underground parking, community room, fitness room, bike storage and dog washing area. The unit mix will consist of 8 Studio, 8-Alcove 1 bdrm., 23-1 bdrm., 16-2 bdrm., 8-3 bdrm.**
- **Project Timeline and Cost - The project is proposed to begin in the fall of this year or, if bids aren’t obtained in time, the spring of 2025. The estimated total development cost is approximately \$10,150,000.**
- **Project Location – The project is proposed to be located on the 1.45-acre, GREDA owned, Block 20/21 site on the north side of 2<sup>nd</sup> St. N., across from the Library and Northern Community Radio (KAXE).**





# Project Background

## Map of City Development District



Legend  
City Limits/Development District

0 0.2 0.4 0.8 1.2 1.6  
Miles





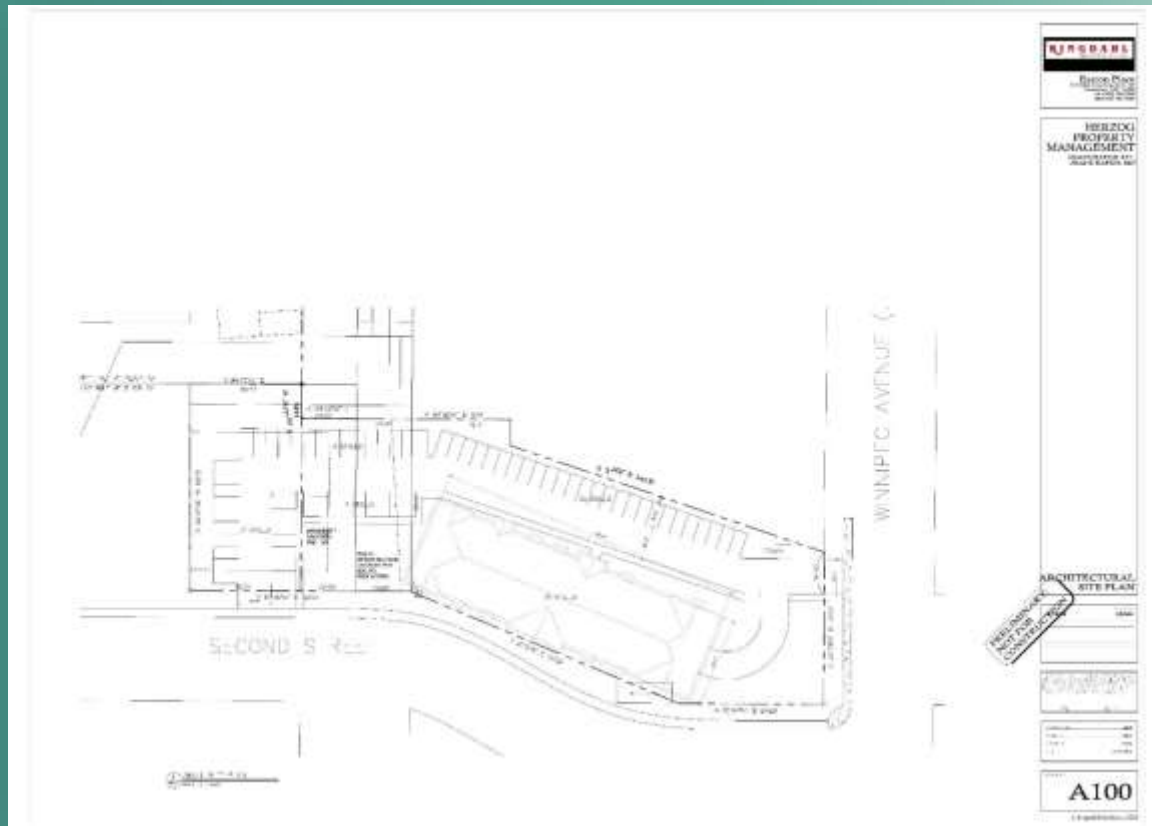
# Project Background

## Unique Opportunities Grand Rapids TIF District 1-16





# Project Background





# Project Background





# Project Background



WEST HILLS  
ARCHITECTS

PRELIMINARY  
NOT FOR  
CONSTRUCTION

CONCEPT  
RENDERING

DATE	10/14/11
SCALE	1/8" = 1'-0"
PROJECT NO.	11-000
CLIENT	GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
LOCATION	1000 WEST HILLS AVENUE, GRAND RAPIDS, MI 49503

**A200**

© 2011 West Hills Architects, LLC



# Project Background

## Project Sources and Uses:

<b>Sources/Revenue:</b>		<b>Uses/Development Costs:</b>	
<b>First Mortgage</b>	<b>\$6,193,714</b>	<b>Site Acquisition</b>	<b>\$200,000</b>
<b>Equity</b>	<b>\$2,628,032</b>	<b>Construction Costs</b>	<b>\$8,500,000</b>
<b>TIF Note</b>	<b>\$1,328,254</b>	<b>Professional Services/Fees</b>	<b>\$430,000</b>
		<b>Financing Costs</b>	<b>\$520,000</b>
		<b>Development Fee</b>	<b>\$500,000</b>
<b>Total:</b>	<b>\$10,150,000</b>	<b>Total:</b>	<b>\$10,150,000</b>



# Project Background

## Current and Future Assessed Value Estimate:

	Current (Itasca County Assessor)	Future (Itasca County Assessor)
Land Value (1.5 acres)	\$242,800	\$364,800
Building Value	\$0	\$3,900,700
Total Value	\$242,800	\$4,265,500
Annual Property Taxes (Pay 2024 Rate)	\$0	*\$144,029

\* Based on a higher (\$7,875,000) post development EMV, requested by Developer



# TIF Business Assistance

- **The proposed TIF district would be a Housing District**
  - Consistent with the TIF Act, 20% of the total number of units will be affordable to persons with incomes at or below 50% of the area median income.
- **The Public Purpose objectives, within the City's business assistance policies, which align with this project are:**
  - To create housing opportunities for senior and low to moderate income families.
  - To enhance or diversify the City's economic base.
  - To provide a diversity of housing adjacent to cultural, recreational, economic, natural, education and transportation systems.
  - To accomplish other public policies consistent with the Comprehensive Plan, such as; to support a vibrant Downtown.
- **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 removal, development costs won't allow for affordable rents, added cost of site cleanup, etc.)





# TIF 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 no property taxes have been collected from this site as it has been publicly owned for many decades.
- The increase in taxes resulting from the new development (increment) is only delayed until the TIF commitment is satisfied.
- Upon that satisfaction, all property taxes resume full distribution to the taxing entities.



# TIF Business Assistance

- **TIF Need Analysis** – the City’s fiscal consultant Ehlers has analyzed and evaluated the Developer’s updated project budget and pro forma based upon industry standards and market ranges for rent, rate of return, development costs, operating costs, development fees and revenues.
  - Based upon that analysis, it was determined that these elements of the proposed development were within an expected range and that TIF assistance in the amount of \$ 1,328,254 is required to achieve an expected cash-on-cash return on investment of 8% for this project. However, even with the TIF assistance, Ehlers’ projections show that that the 8% ROI won’t be reached until year 19.



# 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 Appendix C 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 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.**
- **Housing TIF districts have a maximum duration of 26 years. It is projected that, at full development, the principal amount of the TIF obligation, assuming a present value rate of 7.5%, will be fully funded in over the maximum term.**
- **In accordance with statutory requirements, 20% of the units (13 units) will be reserved for households earning no greater than 50% of the area median income. No rent restrictions apply to this project, however.**



# Process

**At this meeting, GREDA will review the application and consider adoption of a resolution:**

- 1. Supporting a modification to the Development Program for the City's Development District No. 1, establishing TIF District 1-16 therein and adopting a TIF Plan, therefore; and**
- 2. Approving the sale of land; and**
- 3. Approving the Purchase and Development Agreement with the City and Unique Opportunities Grand Rapids LLC.**

**The City Council will hold a public hearing on August 12, 2024, to consider this request for TIF Business Assistance. Actions that will be considered immediately following the Public Hearing will include:**

- 1. Adoption of a resolution approving the establishment of TIF District No. 1-16 and approving the TIF Plan for the District.**
- 2. Adoption of a resolution approving the Purchase and Development Agreement with GREDA and Unique Opportunities Grand Rapids LLC and awarding the sale of, and providing the form, terms, covenants and directions for the issuance of its tax increment revenue note.**



# Questions?



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** August 8, 2024

**STATEMENT OF ISSUE:** Consider the adoption of a resolution supporting the creation of a TIF District, approving a Purchase and Development Agreement between the City, the Grand Rapids Economic Development Authority and Unique Opportunities Grand Rapids LLC, and approve the sale of land therein.

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

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### **BACKGROUND:**

The PowerPoint presentation for the previous agenda item serves as the background for this item, as well.

### **RECOMMENDATION:**

Discuss any questions.

**REQUIRED ACTION:** Pass a motion adopting a resolution supporting the creation of a TIF District, approving a Purchase and Development Agreement between the City, the Grand Rapids Economic Development Authority and Unique Opportunities Grand Rapids LLC, and approve the sale of land therein.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

**RESOLUTION NO. \_\_**

**SUPPORTING THE CREATION OF A TAX INCREMENT FINANCING DISTRICT WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1, APPROVING A PURCHASE AND DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GRAND RAPIDS, MINNESOTA, THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, AND UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C., AND APPROVING THE SALE OF LAND CONTAINED THEREIN**

WHEREAS, on August 12, 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. 1-16: Downtown Housing Development (a housing 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”); and

WHEREAS, the Grand Rapids Economic Development Authority (the “Authority”) currently owns certain property legally described in Exhibit A attached hereto (the “Development Property”) within the TIF District; and

WHEREAS, Unique Opportunities Grand Rapids, L.L.C., a Minnesota limited liability company, or an affiliate thereof or a related party thereto (the “Developer”) has proposed to acquire the Development Property for the purpose of constructing and equipping an approximately 63-unit multifamily rental housing facility thereon, with underground parking and enhanced finishes, with at least twenty percent (20%) of such units to be available to persons of low and moderate income, with all related improvements to be completed, owned and operated by the Developer (the “Project”); and

WHEREAS, 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; and

WHEREAS, the Developer, the Authority and the City propose entering into a Purchase and Development Agreement (the “Agreement”), under which, among other things, the Authority will sell the Development Property to the Developer for a purchase price of \$200,000, and the City will provide certain tax increment financing assistance to the Developer for the Project pursuant to the Act; and

WHEREAS, before the Authority may sell the Development Property to the Developer, the

Board must conduct a public hearing on the proposed sale in accordance with Minnesota Statutes, Section 469.105, as amended; and

WHEREAS, on the date hereof, the Board conducted a duly noticed public hearing on the sale of the Development Property to the Developer during which all interested persons were given an opportunity to be heard; and

WHEREAS, the Authority finds and determines that the sale of the Development Property to the Developer is for a public purpose and is in the public interest because it will further the objectives of the Development District, and that such sale has no relationship to the comprehensive plan for the City; and

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Authority supports the creation of the TIF District, the Program and the Plan and the provision of tax increment financing assistance to the Developer provided, however, that final authorization of tax increment financing assistance for the Project is solely within the discretion of the City Council following all proceedings required pursuant to the Act.

2. The Authority hereby approves the sale of the Development Property to the Developer and the Agreement substantially in accordance with the terms set forth in the form presented to the Board, together with any related documents or certifications necessary in connection therewith, including without limitation the deed and all documents and certifications referenced in or attached to the Agreement, and any other documents necessary to transfer the Property to the Developer, all as described in the Agreement (collectively, the “Development Documents”), and hereby authorizes the President and Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority’s obligations thereunder.

3. The approval hereby given to the Development 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. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the City Attorney, may act in their behalf. This resolution shall not constitute an offer and the Agreement shall not be effective until the date of execution thereof.



4. Upon execution and delivery of the Development Documents, the officers and employees of the Authority are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Authority to implement the Development Documents.

Approved this 8<sup>th</sup> day of August, 2024, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A**

**DEVELOPMENT PROPERTY**

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

Parcel 1:

The South Half of Block Twenty (20), Town of Grand Rapids, Minnesota, according to the plat thereof on file and of record in the office of the Register of Deeds, of Itasca County, Minnesota, AND the West Half (W1/2) of vacated 2nd Avenue East lying adjacent to the South 125 feet (S 125) of Block Twenty (20) LESS that part conveyed by Document No. 45251, described as follows: The West 220 feet of the South half of Block 20, Town of Grand Rapids.

(Torrens Cert. No. 23062)

Parcel 2:

That portion of Block Twenty-one (21), Town of Grand Rapids, AND the vacated North-South alley lying within Block 21, lying South and West of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24) and the East Half (E1/2) of vacated 2nd Avenue East lying adjacent to Lots Twenty thru Twenty-four (20-24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

Less and Except that part of Lot 19, Block 21, according to the Plat of Grand Rapids on file in the office of the Itasca County Recorder, lying southwesterly of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Block 21.

AND

That portion of the West Half (W1/2) of Lot Twenty (20), Block Twenty-one (21), Town of Grand Rapids, lying northeast of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

AND

That part of the North Half (N1/2) of vacated Second Street North lying adjacent to Blocks Twenty-one (21) and Twenty-four (24) and lying northeast of the following described line: beginning at a point along the north line of Block Twenty-four (24) lying One Hundred five (105) feet West of the Northeast corner of said Block: thence Northwesterly to the southwest corner of said Lot Twenty-

four (24), Block Twenty-one (21) and there terminating.

(Torrens Cert. No. 24386)

Parcel 3:

That part of the South Half of vacated Second Street North, lying between Blocks 21 and 24, of the Plat of Town of Grand Rapids, Itasca County, Minnesota, lying northeasterly of the following described line:

Beginning at a point on the north line of said Block 24, 105 feet West of the northeast corner thereof; thence northwesterly to the southwest corner of Lot 24, block 21, said Town of Grand Rapids.

(Abstract)

# MEMORANDUM

**TO:** Rob Mattei, GREDA Executive Director  
**FROM:** Rebecca Kurtz and Jessica Cookm, Ehlers  
**DATE:** June 25, 2024  
**SUBJECT:** Unique Opportunities Housing II Request for Financial Assistance

The Grand Rapids EDA (“GREDA”) received a request for assistance from Unique Opportunities Grand Rapids LLC (the “Developer”) to construct a 63-unit rental housing community. The proposed project will be downtown on the vacant parcel owned by GREDA across the street from the Grand Rapids Area Library. This will be the second housing project that the Developer has proposed in the City of Grand Rapids. Their first project – a 48-unit multifamily rental housing development at 2601 Airport Road - was completed in 2021 and offers 10 apartment units affordable to families with incomes at or below 50% of the area median income (“AMI”). The current proposed project will have a higher finish level, underground parking, and higher rents than the Airport Road project. However, 20% of the units (13 units) will be restricted for occupancy by tenants with incomes at or below 50% of AMI.

Citing a financial gap in the project related to interest rates, construction costs and market rents, the Developer is requesting \$1,328,254 in tax increment financing for his current project. Providing this assistance would require GREDA to create a new Housing Tax Increment District with a maximum term of 26 years. The Developers request reflects a full 26 years of increment.

This memo reviews the need for the requested TIF assistance based on our analysis of the developer’s project budget and projections, generally known as a pro forma. The table below depicts the Developer’s proposed sources and uses for the project.

<b>SOURCES</b>			
	<b>Amount</b>	<b>Pct.</b>	<b>Per Unit</b>
First Mortgage	6,193,714	61%	98,313
TIF Note	1,328,254	13%	21,083
Equity	2,628,032	26%	41,715
<b>TOTAL SOURCES</b>	<b>10,150,000</b>	<b>100%</b>	<b>161,111</b>

<b>USES</b>			
	<b>Amount</b>	<b>Pct.</b>	<b>Per Unit</b>
Acquisition Costs	200,000	2%	3,175
Construction Costs	8,310,000	82%	131,905
Contractor Fee	300,000	3%	4,762
Professional Services	320,000	3%	5,079
Financing Costs	520,000	5%	8,254
Developer Fee	500,000	5%	7,937
<b>TOTAL USES</b>	<b>10,150,000</b>	<b>100%</b>	<b>161,111</b>

## Pro Forma Analysis

**Rents:** The proposed rents are aggressive in the Grand Rapids market place, ranging from \$2.56 per square foot for a studio apartment to \$1.56 per square foot for a 3 bedroom unit. These rates translate into the rents in the following chart:

Unit Type	Rent
Studio	\$895
1BR	\$1,095
1BR	\$1,195
1BR	\$1,275
2BR	\$1,495
2BR	\$1,550
3BR	\$1,795

By way of comparison, a recent market rate study for another project in the City of Grand Rapids indicated that market rate rents are in the range of \$1.46 to \$1.80 per square foot. The proposed rents indicate the Developer is maximizing project revenue and minimizing the TIF request. The Developer is also setting aside \$30,000 per year to reduce rents on 20% of the units to make them affordable to families with incomes at or below 50% of AMI. Unlike the Developer's other project at Airport Road, there are no proposed rent restrictions for this project.

**Total Development Costs:** The Total Development Cost of the project is \$10.15 million or \$161,111 per unit. Projects like this one are generally ranging between \$240,000 and \$300,000 per unit. Therefore, we have concluded project costs are very reasonable and minimize the TIF request.

**Project Financing:** The Developer proposed to finance the project with a mortgage in the amount of \$6,193,714, which is 61% of the Total Development Cost. The proposed rate on the first mortgage is 7.7% with a debt coverage ratio of 115% and a 0.5% loan origination fee. These are relatively favorable terms for the project in today's lending environment and we have concluded that the Developer is maximizing the amount of the debt the project can support.

**Operating Expenses:** The operating expenses of approximately \$2,500 per unit per year are less than the typical range of \$3,000 to \$4,500 per unit per year (before management fees, property taxes, and replacement reserves).

**Management Fee:** The management fee is projected at 7% of effective gross income (EGI). Management fees typically range between 3% to 5% of EGI. The proposed fee is higher than usual but given the relatively small size of the project and the low operating expenses it is acceptable.

**Developer Fee:** The developer fee of \$500,000 is 4.9% of total development costs. This is within the typical industry range of 3-5% for rental projects.

**Return on Investment:** The Developer is seeking a cash-on-cash return on investment (net operating income / equity) of 8-10%. The project's initial cash on cash return is just 3.5% even with the requested amount of assistance, which is far below the desired return. The projected cash on cash return, including the City's assistance, will grow slowly over time, but not achieve the desired return of 8% until the 19<sup>th</sup> year of operations. The Developer is proceeding with the project despite below-market returns in order to keep their construction crews employed.

## Recommendation

Based on our review of the Developer's pro forma, the project is being represented favorably for the market. Since the projected return on investment is below market expectations, the requested \$1,328,254 in TIF assistance from the City is justified to make the project financially feasible.

Please contact Rebecca at 651-697-8516 or Jessica at 651-697-8546 if you have any questions or comments.

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**PURCHASE AND DEVELOPMENT AGREEMENT**  
**by and between**  
**CITY OF GRAND RAPIDS, MINNESOTA,**  
**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY,**  
**and**  
**[UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C.]**

**Dated: August \_\_, 2024**

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Drafted by:  
Kennedy & Graven, Chartered (GAF)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402

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## PURCHASE AND DEVELOPMENT AGREEMENT

THIS PURCHASE AND DEVELOPMENT AGREEMENT, made on or as of the \_\_\_ day of August, 2024 (the “Agreement”), by and between the CITY OF GRAND RAPIDS, MINNESOTA, a statutory city organized and existing under the Constitution and the laws of the State of Minnesota (the “City”), the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic (the “Authority”), and [UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C.], a Minnesota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in connection herewith created a development project known as Municipal Development District No. 1 (the “Development District”) pursuant to Minnesota Statutes, Sections 469.124 through 469.133, as amended (the “City Development Act”), and has adopted a development program therefor (the “Development Program”); and

WHEREAS, within the Development District the City has created Tax Increment Financing District No. 1-16: Downtown Housing Development (the “TIF District”), a housing tax increment financing district, in order to facilitate development of certain property in the Development District and promote the development of affordable housing within the City, and has adopted a tax increment financing plan therefor (the “TIF Plan”), all pursuant to the City Development Act and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 through 469.1081, as amended (the “EDA Act”), and is authorized to transact business and exercise its powers by a resolution of the City Council of the City; and

WHEREAS, pursuant to the EDA Act, the Authority is authorized to acquire real property, or interests therein, and to undertake certain activities to prepare such real property for development by private enterprise; and

WHEREAS, the Developer has requested that the Authority sell it certain property legally described in EXHIBIT A attached hereto (the “Development Property”), and the Developer proposes to acquire, construct and equip an approximately 63-unit multifamily rental housing facility with underground parking and enhanced finishes including \_\_\_\_\_, with at least twenty percent (20%) of such units to be available to persons or families of low and moderate income, with all related improvements to be completed, owned and operated by the Developer on the Development Property (the “Minimum Improvements”); and

WHEREAS, in order to achieve the objectives of the Development Program and the TIF Plan, and to make the Minimum Improvements economically feasible for the Developer to construct, the City is prepared to reimburse the Developer for a portion of the public development costs related to the Minimum Improvements, as more particularly set forth in this Agreement; and

WHEREAS, the City and the Authority believe that the sale and improvement of the Development Property and the development of the TIF District pursuant to this Agreement, and fulfillment generally of this Agreement are vital and are in best interests of the City and the Authority, and the health, safety, morals, and welfare of the residents of the City, and in accordance with the public purposes and provisions of the applicable

state and local laws and the requirements under which the Development District has been undertaken and is being assisted.

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

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

**ARTICLE I**

**DEFINITIONS**

Section 1.1. Definitions. All capitalized terms used and not otherwise defined herein shall have the following meanings unless a different meaning clearly appears from the context:

“Administrative Costs” has the meaning set forth in Section 3.8.

“Affiliate” means with respect to the Developer (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the Developer, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling,” “controlled by” and “under common control with” mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent (50%) or more of the voting interests in such entity possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether ownership of voting securities or by contract or otherwise.

“Agreement” means this Purchase and Development Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Grand Rapids Economic Development Authority, a public body corporate and politic organized and existing under the laws of the State.

“Authorizing Resolution” means the resolution of the City, substantially in the form set forth in EXHIBIT F attached hereto, adopted by the City Council to authorize the issuance of the Note.

“Available Tax Increment” has the meaning provided in the Authorizing Resolution.

“Board” means the Board of Commissioners of the Authority.

“Business Day” means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

“Certificate of Completion” means the certificate to be provided to the Developer pursuant to Section 4.5 hereof, in the form set forth in EXHIBIT B attached hereto.

“City” means the City of Grand Rapids, Minnesota, a statutory city organized and existing under the Constitution and the laws of the State.

“City Council” means the City Council of the City.

“City Development Act” means Minnesota Statutes, 469.124 through 469.133, as amended.

“City Representative” means the City Administrator of the City or any person designated in writing by the City Administrator to act as the City Representative for the purposes of this Agreement.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property, including the Minimum Improvements and the Public Improvements, which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following: (1) site plan; (2) foundation plan; (3) basement plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Itasca, Minnesota, a public body corporate and politic under the laws of the State.

“Developer” means [Unique Opportunities Grand Rapids, L.L.C.], a Minnesota limited liability company, or permitted successors and assigns.

“Development District” means the City’s Municipal Development District No. 1, as amended.

“Development Program” means the City’s Development Program for the Development District, as amended.

“Development Property” means the real property located in the City and legally described in EXHIBIT A attached hereto.

“EDA Act” means the Economic Development Authority Act, Minnesota Statutes, Sections 469.090 to 469.1082, as amended.

“Event of Default” means an action by the Developer listed in Article IX hereof.

“Holder” means the owner of a Mortgage.

“Minimum Improvements” means the acquisition of the Development Property by the Developer from the Authority and the construction and equipping thereon of an approximately 63-unit multifamily rental housing facility with underground parking and enhanced finishes including \_\_\_\_\_ with at least twenty percent (20%) of such units to be available to persons or families of low and moderate income with all related improvements to be completed, owned and operated by the Developer on the Development Property.

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property and which is a permitted encumbrance pursuant to the provisions of Article VII hereof.

“Note” means the City’s pay-as-you-go Tax Increment Revenue Note, Series 2024 (Downtown Housing Development), substantially in the form contained in the Authorizing Resolution, to be delivered by the City to the Developer in consideration for the Developer’s payment of Public Development Costs, and any obligation issued to refund the Note.

“Payment Date” has the meaning provided in the Authorizing Resolution.

“Public Development Costs” means those costs to be paid or reimbursed to the Developer by the City in connection with the development hereunder pursuant to Section 3.6 hereof, and as described in EXHIBIT D attached hereto.

“Public Improvements” has the meaning set forth in Section 4.4 hereof.

“State” means the State of Minnesota.

“Tax Increment” means that portion of the real property taxes which is paid with respect to the Development Property and which is remitted to the City by the County as tax increment pursuant to the TIF Act. The term Tax Increment does not include any amounts retained by or payable to the State auditor under Section 469.177, subdivision 11 of the TIF Act.

“TIF Act” means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 through 469.1794, as amended.

“Tax Increment District” or “TIF District” means the City’s Tax Increment Financing District No. 1-16: Downtown Housing Development, a housing tax increment financing district, within the Development District.

“Tax Increment Plan” or “TIF Plan” means the Tax Increment Financing Plan for the TIF District, as approved by the City Council on August 12, 2024, and as it may be amended.

“Tax Official” means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Termination Date” means the earlier of the following: (a) the Final Payment Date (as defined in the Note), (b) the date when the Note has been fully paid, defeased or terminated in accordance with its terms; or (c) the date of termination of the Note and this Agreement by the City due to an Event of Default as set forth in Section 9.2 hereof.

“Transfer” has the meaning set forth in Section 8.2(a) hereof.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, material shortages, prolonged adverse weather or acts of God, pandemic affecting the State as determined by the Governor, acts of war or terrorism, fire or other casualty to the Minimum Improvements, discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City or Authority in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall not include delays in the Developer’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 hereof.

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

## ARTICLE II

### REPRESENTATIONS AND WARRANTIES

Section 2.1. Representations and Warranties of the Authority. The Authority makes the following representations and warranties:

(a) The Authority is a public body corporate and politic duly organized and existing under the laws of the State. Under the provisions of the EDA Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder, and the execution of this Agreement has been duly, properly and validly authorized by the Authority. This Agreement contains the valid and binding obligations of the Authority and is enforceable in accordance with its terms.

(b) The Authority makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs or suitable for the construction of the Minimum Improvements.

(c) The activities of the Authority hereunder are undertaken for the purpose of fostering affordable rental housing for persons of low and moderate income, and for the purpose of promoting economic development and the development of certain real property which for a variety of reasons is presently unutilized and underutilized.

Section 2.2. Representations and Warranties of the City. The City makes the following representations and warranties:

(a) The City is a statutory city duly organized and existing under the laws of the State. Under the provisions of the City Development Act and the TIF Act, the City has the power to enter into this Agreement and carry out its obligations hereunder, and the execution of this Agreement has been duly, properly and validly authorized by the City. This Agreement contains the valid and binding obligations of the City and is enforceable in accordance with its terms.

(b) The activities of the City under this Agreement are undertaken for the purpose of fostering affordable rental housing for persons of low and moderate income, and for the purpose of promoting economic development and the development of certain real property which for a variety of reasons is presently unutilized and underutilized.

(c) The City has taken the actions necessary in accordance with the terms of the TIF Act to establish the Tax Increment District as a "housing district" within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11.

(d) The Minimum Improvements contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program and the TIF Plan.

(e) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer's purposes or needs.

(f) The City has not entered into any other contracts for the sale of the Development Property, nor are there any rights of first refusal, options to purchase, rights to build, leases or any other agreements regarding the Development Property, or any other rights of third parties that might prevent the execution of this Agreement or Developer's purchase of the Development Property.

(g) There are no tenants, persons or entities occupying any portion of the Development Property and no claim exists against any portion of the Development Property by reason of adverse possession or prescription.

(h) The Development Property is properly zoned for construction and operation of the Minimum Improvements.

Section 2.3 Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

(a) The Developer is a Minnesota limited liability company duly and validly organized and existing in good standing under the laws of the State, and has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder and is not in violation of any law of the State.

(b) In the event the Development Property is conveyed to the Developer, then the Developer will construct, operate, and maintain the Minimum Improvements, or cause the same to be constructed, operated and maintained, in accordance with the terms of this Agreement, and all applicable local, state, and federal laws and regulations (including, but not limited to, environmental, zoning, building code, and public health laws and regulations).

(c) Before the Minimum Improvements and the Public Improvements may be constructed, the Developer will obtain or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable City, County, State, and federal laws and regulations.

(d) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(e) The Developer understands that the City and the Authority may subsidize or encourage other developments in the City, including properties that compete with the Development Property and the Minimum Improvements, and that such subsidies may be more favorable than the terms of this Agreement, and that the City and the Authority have informed the Developer that development of the Development Property will not be favored over the development of other properties.

(f) No member of the City Council, no other officer of the City, no member of the Board or other officer of the Authority has either a direct or indirect financial interest in this Agreement, nor will any member of the City Council, any other officer of the City, any member of the Board or any other officer of the Authority benefit financially from this Agreement within the meaning of Minnesota Statutes, Section 471.87.

(g) The Developer did not obtain a building permit for any portion of the Minimum Improvements or for any other improvements on the Development Property not included in the calculation of the original tax capacity before the date of original approval of the TIF Plan by the City.



(h) The Minimum Improvements would not be undertaken by the Developer, and in the opinion of the Developer, would not be economically feasible within the reasonably foreseeable future without the assistance and benefit to the Developer provided for in this Agreement.

(i) The Developer represents that no more than twenty percent (20%) of the square footage of the Minimum Improvements will consist of commercial, retail or other nonresidential use.

(j) The Developer has received no notice or communication from any local, state, or federal official that the activities of the Developer, the City or the Authority on the Development Property may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City and Authority are aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any applicable local, state, or federal environmental law, regulation or review procedure.

(k) The Developer will construct the Minimum Improvements in accordance with all applicable local, state, or federal energy-conservation laws or regulations.

(l) To the best of Developer's knowledge and belief, neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by, or conflicts with or results in a breach of the terms, conditions, or provisions of any restriction or any evidences of indebtedness, agreement, or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(m) Whenever any Event of Default occurs and if the Authority or the City shall employ attorneys or incur other expenses for the collection of payments due or to become due, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten days of written demand by the Authority or the City, pay to the Authority or the City the reasonable fees of such attorneys and such other expenses so incurred by the Authority or the City.

(n) The Developer shall promptly advise the City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Minimum Improvements or materially affecting the Developer or its business which may delay or require changes in construction of the Minimum Improvements.

(o) The total development costs of the Minimum Improvements are estimated to be approximately \$10,150,000 and the sources of revenue to pay such costs are approximately \$8,821,746, excluding the tax increment assistance, and the Developer has been unable to obtain additional private financing for the total development costs.

(p) The Developer has made its own projections of Tax Increments and revenues to be generated from the Minimum Improvements and of the Developer's return on investment and the Developer has not relied on any assumptions, calculations, determinations or conclusions made by the City, its governing body members, officers or agents, including the independent contractors, consultants and legal counsel, servants and employees thereof, with respect to the foregoing or in determining to proceed with the Minimum Improvements.

### ARTICLE III

#### ACQUISITION AND CONVEYANCE OF PROPERTY; PUBLIC DEVELOPMENT COSTS; FINANCING

Section 3.1. Acquisition and Conveyance of the Development Property. As of the date of this Agreement, the Authority owns the Development Property. The Developer will acquire the Development Property from the Authority in accordance with the terms and conditions of this Agreement. The Developer will pay a purchase price of \$200,000.00 (the "Purchase Price") to the City. Upon execution of this Agreement, the Developer shall pay \$5,000 in earnest money (the "Earnest Money") to the Authority. The Earnest Money shall be nonrefundable. The balance of the Purchase Price shall be due and payable by the Developer at Closing (as defined in Section 3.2(c) hereof). The parties agree and acknowledge that the Purchase Price for the Development Property represents the fair market value of the Development Property.

Section 3.2. Conditions of Conveyance; Purchase Price.

(a) *Generally.* The Authority shall convey title to and possession of the Development Property to the Developer by a quit claim deed substantially in the form of the deed attached as EXHIBIT C to this Agreement (the "Deed"). The Authority's obligation to convey the Development Property to the Developer and Developer's obligation to purchase the Development Property and otherwise perform any other obligations under this Agreement, are subject to and contingent upon satisfaction of the following terms and conditions:

(1) The City and the Authority having approved Construction Plans for the Minimum Improvements and the Public Improvements in accordance with Section 4.2.

(2) The Developer having obtained and the City and the Authority having reviewed the Developer's evidence of adequate financing in accordance with Article VII hereof.

(3) The Developer having received approval by the City, the Authority and by all governmental agencies from which approval must be obtained for the development of the Development Property and the construction of the Minimum Improvements and the Public Improvements (as hereinafter defined), including without limitation a building permit and approval of the site plans, building plans, and any other City approvals, all to the extent so required under City ordinances or other applicable regulations.

(4) The Developer having reviewed and approved (or waived Objections (as hereinafter defined) to) title to the Development Property as set forth in Section 3.4.

(5) The Developer having reviewed and approved (or waived Objections to) soil and environmental conditions and Inspections (as hereinafter defined) as set forth in Section 3.5.

(6) There is no uncured Event of Default under this Agreement.

(7) The Board having held a public hearing on the sale of the Development Property to the Developer.

(8) All of the representations and warranties of the Authority and City set forth in this Agreement being true and correct as of the Closing Date.

(9) The Authority and City having performed all of their obligations as and when required pursuant to this Agreement.

(b) *Exercise and waiver of conditions.* Conditions (4) and (5) and (8) through (9) are solely for the benefit of the Developer and may be waived by the Developer. Conditions (1) through (3) and (6) through (7) are for the benefit of both parties and may be exercised by either party.

All conditions must be satisfied or waived on or before Closing. If any of such conditions have not been satisfied or waived by the applicable date stated in this Section, then this Agreement may be terminated, at the benefitted party's option, by written notice from that party to the other. Upon such termination, this Agreement shall become null and void and neither party will have any further rights or obligations under this Agreement other than Developer's obligations under Section 3.8 hereof relating to the payment of Administrative Costs. Should a party fail to give notice of termination as provided herein with respect to any of contingencies benefitting that party, the contingency in question shall be conclusively deemed to have been waived by that party. Waiver of any condition (to the extent permitted under this paragraph) must be in writing delivered by the waiving party to the other party.

(c) *Closing.* The closing on conveyance of the Development Property from the Authority to the Developer (the "Closing") shall occur on a mutually acceptable date after satisfaction or waiver of the conditions specified in this Section, but no later than September 27, 2024.

Section 3.3. Place of Document Execution, Delivery and Recording; Costs.

(a) Unless otherwise mutually agreed by the Authority and the Developer, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made at the offices of the title company selected by Developer (the "Title Company") or such other location to which the parties may agree.

(b) The Deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property. At Closing, the Developer shall pay recording costs for recordable documents except for any instruments required to clear title encumbrances, title insurance policy fees and premiums, if any, and one half of the title company closing fees, if any. The Authority shall pay any state deed tax, costs of recording any instruments required to clear title encumbrances, if any, and one half of any closing fees charged by the Title Company. The parties agree and understand that the Development Property is exempt from property taxes in 2024. The Authority will pay any and all outstanding special assessments on the Development Property as of the Closing.

(c) The Authority shall deliver such certificates, affidavits or other information as may be necessary to convey title to the Development Property to Developer, and allow Developer to obtain title insurance in an acceptable form, all as may be reasonably requested.

Section 3.4. Title.

(a) As soon as practical after the date of this Agreement, the Developer, at the Authority's expense, shall obtain a commitment for the issuance of a policy of title insurance for the Development Property from the Title Company (the "Title Commitment"). The Developer shall have thirty (30) days from the date of its receipt of the Title Commitment and a current ALTA survey of the Development Property obtained at the Developer's sole expense (the "Survey") to review the state of title to the Development Property and to provide the Authority with a list of written objections to such title (the "Objections"). If an update to the Title Commitment or Survey reveals any additional encumbrances not provided in the original Title Commitment, the Developer reserves the right to make additional Objections and the provisions of this Section shall apply to such additional Objections. Upon receipt of the Developer's list of written objections, the Authority shall proceed in good faith and with all due diligence to attempt to cure the Objections made by the Developer. In the event that the Authority has failed to cure Objections within sixty (60) days after its receipt of the

Developer's list of such Objections, the Developer may by the giving of written notice to the others parties, (i) terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than Developer's obligations under Section 3.8 hereof; or (ii) waive the Objections and proceed to Closing. Notwithstanding the previous sentence, if costs to the Authority to clear the Objections is more than \$10,000, the Authority may, by giving written notice to the Developer, terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than Developer's obligations under Section 3.8 hereof. The Authority shall have no obligation to take any action to clear defects in the title to the Development Property, other than the good faith efforts described above.

(b) The City and Authority shall take no actions to encumber title to the Development Property between the date of this Agreement and the time which the Deed is delivered to the Developer. The City and Authority expressly agree that they will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Upon Closing, the Authority is obligated to remove any mortgages or liens and pay all costs to discharge any encumbrances to the Development Property attributable to actions of the City or the Authority, their employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer. The Authority will remove any personal property from the Development Property before the Closing Date.

(c) The Developer shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the Deed is delivered to the Developer. The Developer expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Developer is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of Developer, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer.

Section 3.5. Soil Conditions; Other Representations.

(a) The Developer acknowledges that except as specifically provided in this agreement neither the Authority nor the City makes any representations or warranties as to the condition of the soils on the Development Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property and that the assistance provided to the Developer under this Agreement neither implies any responsibility by the City or the Authority for any contamination of the Development Property nor imposes any obligation on such parties to participate in any cleanup of the Development Property. The Developer acquires the Development Property "as is." DEVELOPER ACKNOWLEDGES THAT DEVELOPER IS PURCHASING THE PROPERTY IN RELIANCE DEVELOPER'S INSPECTION OF THE PROPERTY PURSUANT TO THIS SECTION 3.5; AND ON DEVELOPER'S JUDGMENT REGARDING THE SUFFICIENCY OF SUCH INSPECTIONS EXCEPT AS SPECIFICALLY PROVIDED IN THIS AGREEMENT. DEVELOPER IS NOT RELYING ON ANY WRITTEN OR ORAL REPRESENTATIONS, WARRANTIES OR STATEMENTS THAT AUTHORITY OR AUTHORITY'S AGENTS HAVE MADE. SUBJECT TO DEVELOPER'S RIGHT TO TERMINATE THIS AGREEMENT PURSUANT TO THIS SECTION 3.5, PURCHASER IS PURCHASING THE PROPERTY IN "AS IS" CONDITION.

(b) Without limiting its obligations under Section 8.3 of this Agreement the Developer further agrees that it will indemnify, defend, and hold harmless the Authority, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Development Property which either (i) arise out of activities of Developer on the Development Property or (ii) arise out of hazardous substances, asbestos,

petroleum substances, or pollutants, irritants or contaminants brought onto Development Property by Developer. In addition, Developer agrees to release the Indemnified Parties from any and all costs, expenses, losses, liabilities, claims, causes of action, demands, and damages relating to the environmental conditions on the Development Property as of the Date of Closing which are not caused by the actions of the Indemnified Parties. Nothing in this section will be construed to limit or affect any limitations on liability of the Authority or the City under State or federal law, including without limitation Minnesota Statutes, Sections 466.04 and 604.752.

(c) Before closing on conveyance of the Development Property, the Developer may enter the Development Property and conduct any environmental, soils studies, surveys, geothermal or any other inspections, investigations, testing or studies deemed necessary by the Developer (collectively, the "Inspections"). The Developer agrees that it shall cause all Inspections performed on the Development Property to be performed in a manner that does not disturb the Development Property and that the Development Property shall be returned to its original condition after Developer's entry. Except for soil borings and test pits, the Developer shall not conduct or cause to be conducted any physically intrusive investigations, examinations or studies of the Development Property without obtaining the prior written consent of the Authority, which consent shall not be unreasonably withheld. If on or before the Closing the Developer, in its sole discretion, is not satisfied with the results of its Inspections, determines that hazardous waste or other pollutants as defined under federal and state law exist on the Development Property, or that the soils are otherwise unsuitable for construction of the Minimum Improvements, the Developer may at its option terminate this Agreement by giving written notice to the Authority, upon receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than Developer's obligations under Section 3.8 hereof.

(d) The Authority represents and certifies that there are no wells on the Development Property.

Section 3.6. Public Development Costs. In order to make development of the Minimum Improvements economically feasible, the City will reimburse the Developer for a portion of the Public Development Costs as set forth in more detail in EXHIBIT D attached hereto. The total principal amount of Public Development Costs subject to reimbursement will not exceed \$1,328,254. The Developer anticipates that the Public Development Costs will be at least \$1,328,254. Public Development Costs in excess of the aggregate total are the responsibility of the Developer.

Section 3.7. Issuance of Note.

(a) *Terms.* To reimburse the Developer for a portion of the Public Development Costs paid by the Developer, the City shall issue the Note in the maximum principal amount of \$1,328,254 to pay for Public Development Costs associated with of the Minimum Improvements. The City shall issue and deliver the Note upon Developer having:

(i) delivered to the City written evidence reasonably satisfactory to the City that Developer has incurred Public Development Costs for the Minimum Improvements in an amount at least equal to the principal amount of the Note, which evidence must include copies of the paid invoices or other comparable evidence for costs of allowable Public Development Costs, and a statement that no part of such cost has been included in any previous certification under this Section;

(ii) submitted evidence of financing in accordance with Section 7.1 hereof;

(iii) delivered to the City an investment letter in a form reasonably satisfactory to the City;

(iv) the construction of the Minimum Improvements and the Public Improvements have been substantially completed in accordance with Article IV hereof;

(v) paid all of the Administrative Costs required to have been paid as of such date in accordance with Section 3.8 hereof; and

(vi) the Developer is in material compliance with each term or provision of this Agreement required to have been satisfied as of such date.

The terms of the Note will be substantially those provided in the form of the note set forth in Schedule B of EXHIBIT F attached hereto, and the Note will be subject to all terms of the Authorizing Resolution, which is incorporated herein by reference. The Note shall bear interest at the rate of 7.50% as set forth in the Note.

(b) *Assignment of Note.* The City acknowledges that the Developer may assign the Note to a third party. The City consents to such an assignment, conditioned upon receipt of a written instrument of transfer reasonably satisfactory to the City approving such transfer and investment letter from such third party in a form reasonably acceptable to the City.

(c) *Qualifications.*

(i) The Developer understands and acknowledges that all Public Development Costs must be paid by the Developer and will be reimbursed solely from Available Tax Increment pursuant to the terms of the Note. Public Development Costs exceeding the principal amount of the Note are the sole responsibility of the Developer.

(ii) The City makes no representations or warranties regarding the amount of Available Tax Increment will be sufficient to pay the principal and interest on the Note. Any estimates of Tax Increment prepared by the City or its municipal advisors in connection with the TIF District or this Agreement are for the benefit of the City, and are not intended as representations on which the Developer may rely.

(iii) The Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Available Tax Increment shall be used to pay the principal of and interest on the Note.

(iv) The City's obligation to make payments on the Note any Payment Date or on any date thereafter shall be conditioned upon the requirement (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement that has not been cured during the applicable cure period, (B) this Agreement shall not have been terminated pursuant to Section 5.2, and (C) all conditions set forth in Section 3.7(a) have been satisfied as of such date.

Section 3.8. Developer to Pay City and Authority's Fees and Expenses. The Developer will pay all of the reasonable Administrative Costs (as defined below) of the City and the Authority and must pay such costs to the City and the Authority within 30 days after receipt of a written invoice from the City or the Authority describing the amount and nature of the costs to be reimbursed. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the City or the Authority together with staff and consultant (including reasonable legal, financial advisor, etc.) costs of the City or the Authority, all attributable to or incurred in connection with the establishment of the TIF District, the drafting and adoption of the TIF Plan, and the review, negotiation and preparation of this Agreement

(together with any other agreements entered into between the parties hereto contemporaneously therewith) and the review and approvals of other documents and agreements in connection with the Minimum Improvements and the Public Improvements. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City's planning, zoning, and building fee schedules. The City and the Authority acknowledge that the Developer has deposited \$5,000 with the City toward payment of the Administrative Costs. If such costs exceed such amount, then at any time, but not more often than monthly, the City or the Authority, as applicable, will deliver written notice to Developer setting forth any additional fees and expenses and Developer agrees to pay all fees and expenses within 30 days of the City's or the Authority's, as applicable, written request. Any unused amount of such deposit shall be returned to the Developer.

Section 3.9. Use of Tax Increments. The City shall be free to use the Tax Increments, other than those to which the Developer is entitled pursuant to the provisions of Section 3.7 hereof, for its Administrative Expenses, and for any other purpose for which the Tax Increments may lawfully be used pursuant to applicable provisions of State law.

Section 3.10. Records. The City and its representatives shall have the right at all reasonable times, after reasonable notice, to inspect, examine and copy all books and records of the Developer relating to the Minimum Improvements and the Public Development Costs.

Section 3.11. No Business Subsidy. The parties agree and understand that the purpose of the City's financial assistance to the Developer is to facilitate development of affordable rental housing for persons of low and moderate income, and is not a "business subsidy" within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

## ARTICLE IV

### CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 4.1. Construction of Improvements. The Developer agrees that it will construct the Minimum Improvements and the Public Improvements on the Development Property in accordance with the approved Construction Plans, and at all times prior to the Termination Date will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in good repair and condition, ordinary wear and tear excepted. Neither the City nor the Authority shall have any obligation to operate or maintain the Minimum Improvements.

Section 4.2. Construction Plans.

(a) Before commencing construction of the Minimum Improvements and the Public Improvements, the Developer shall submit to the City and the Authority Construction Plans for the Minimum Improvements and the Public Improvements. The Construction Plans shall provide for the construction of the Minimum Improvements and the Public Improvements and shall be in conformity with the Development Program, this Agreement, and all applicable State and local laws and regulations. The City Representative and the will approve the Construction Plans in writing if: (i) the Construction Plans conform to the terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Development Program; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements and the Public Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer from all sources for construction of the Minimum Improvements and the Public Improvements; and (vi) no Event of Default. Approval may be based upon a review by the Building Official of the City of the Construction Plans. No approval by the City Representative shall relieve the Developer of the obligation to comply with the terms of this Agreement or of, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements and the Public Improvements in accordance therewith. No approval by the City Representative shall constitute a waiver of an Event of Default has occurred. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the City Representative, in whole or in part. Such rejections shall set forth in detail the reasons therefor, and shall be made within thirty (30) days after the date of their receipt by the City. If the City Representative rejects any Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within thirty (30) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City Representative. The City Representative's approval shall not be unreasonably withheld, conditioned, or delayed. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements and the Public Improvements constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

The Developer hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the City and/or any changes in the Construction Plans requested by the City. Neither the City, nor any employee or official of the City shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the City.



(b) If the Developer desires to make any material change in the Construction Plans after their approval by the City, the Developer shall submit the proposed change to the City for approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section with respect to such previously approved Construction Plans, the City shall approve the proposed change and notify the Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The City's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence the construction of the Minimum Improvements by May 31, 2025 and substantially complete construction of the Minimum Improvements by June 1, 2026. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in substantial conformity with the Construction Plans as submitted by the Developer and approved by the City.

The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section. Subsequent to execution of this Agreement, and until construction of the Minimum Improvements has been completed, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the City, as to the actual progress of the Developer with respect to such construction.

Section 4.4. Public Improvements. The Developer shall construct a six-foot wide public sidewalk adjacent to the Minimum Improvements (the "Public Improvements"). The Public Improvements shall extend along the north curb line of 2<sup>nd</sup> Street North between the east and west boundary line of the Development Property, a length of approximately 480 feet. The Developer must substantially complete construction of the Public Improvements by June 1, 2026.

Section 4.5. Certificate of Completion.

(a) Promptly after completion of the Minimum Improvements and the Public Improvements in accordance with those provisions of this Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements and the Public Improvements (including the dates for commencement and completion thereof), the City Representative will furnish the Developer with a Certificate of Completion in substantially the form set forth in EXHIBIT B attached hereto. The Certificate of Completion shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the Deed with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements and the Public Improvements and the date for the completion thereof. Such Certificate of Completion and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) If the City Representative shall refuse or fail to provide the Certificate of Completion in accordance with the provisions of this Section 4.5, the City Representative shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate detail in what respects the Developer has failed to complete the Minimum Improvements and/or the Public Improvements in accordance with the provisions of this Agreement, or is otherwise in default, and what

measures or acts it will be necessary, in the reasonable opinion of the City, for the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be commenced when foundations are completed; and shall be deemed to be substantially complete upon issuance of a certificate of occupancy by the City. The construction of the Public Improvements shall be deemed to be substantially completed upon final inspection by the City and acceptance by the City.

Section 4.6. Income Limits.

(a) The City and the Developer understand and agree that the TIF District will constitute a “housing district” under Section 469.174, subdivision 11 of the TIF Act. The Developer covenants that, for the duration of the TIF District, it will comply with all income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code of 1986, as amended. Specifically, the Developer agrees and covenants that twenty percent (20%) of the units of the Minimum Improvements (13 units) will be reserved for persons with incomes at or less than fifty percent (50%) of areawide median income.

(b) On or before April 1 of each year for the duration of the TIF District, the Developer shall submit evidence in substantially the form set forth in EXHIBIT E attached hereto, showing that the Minimum Improvements meet the relevant income and rent requirements. The parties agree and understand that the Developer may retain a manager (the “Manager”) who will review such evidence and may certify on behalf of the Developer that the Minimum Improvements meet the relevant income and rent requirements. The Developer is responsible for any costs incurred to compensate the Manager (or any successor) for such activities.

(c) If the City reasonably determines based on evidence submitted by the Developer or receives notice from any Manager, the State department of revenue, the State auditor, any Tax Official or any court of competent jurisdiction that the TIF District does not qualify as a “housing district,” such event shall be deemed an Event of Default under this Agreement. In addition to any remedies available to the City under Article IX hereof, the Developer shall indemnify, defend and hold harmless the City and the Authority for any damages or costs resulting therefrom.

(d) The Developer understands that if it does not comply with the affordability covenants in this Section, the TIF Act requires the City to decertify the TIF District.

## ARTICLE V

### INSURANCE AND CONDEMNATION

#### Section 5.1. Insurance.

(a) The Developer will provide and maintain at all times during the process of constructing the Minimum Improvements and the Public Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the Authority or the City, furnish the Authority or the City with proof of payment of premiums on policies covering the following:

(i) builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements and the Public Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interest of the Authority and the City shall be protected in accordance with a clause in form and content satisfactory to the Authority and the City;

(ii) comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) together with an Owner's Protective Liability Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The Authority and the City shall be listed as additional insureds on the policy; and

(iii) workers' compensation insurance, with statutory coverage, provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(b) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority or the City shall furnish proof of the payment of premiums on, insurance as follows:

(i) insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses;

(ii) comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000, and shall be endorsed to show the City and Authority as additional insureds; and

(iii) such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in this Article shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article, each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts

required herein without giving written notice to the Developer, the City, and the Authority at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer agrees to notify the Authority and the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer either will forthwith repair, reconstruct, and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, regardless of whether the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Developer.

(e) In lieu of its obligation to reconstruct the Minimum Improvements as set forth in this Section, the Developer shall have the option of: (i) paying to the City an amount that, in the reasonable opinion of the City and its municipal advisor, is sufficient to pay in full the outstanding principal and accrued interest on the Note, or (ii) so long as the Developer is the owner of the Note, waiving its right to receive subsequent payments under the Note.

(f) The Developer, the City and the Authority agree that all of the insurance provisions set forth in this Article V shall terminate upon the Termination Date.

Section 5.2. Subordination. Notwithstanding anything to the contrary herein, the rights of the Authority and the City with respect to the receipt and application of any insurance proceeds shall, in all respects, be subordinate and subject to the rights of any Holder under a Mortgage.

## ARTICLE VI

### REAL PROPERTY TAXES

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the construction of the Minimum Improvements through issuance of the Note. The Developer understands that the Tax Increments collected by the City from the Development Property pledged to payment on the Note are derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the county auditor. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Reduction of Taxes. The Developer agrees that prior to the Termination Date,

(a) It will not cause a reduction in the real property taxes paid in respect of the Development Property by (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property, except to the extent otherwise provided in Section 5.1; (iii) filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law.

(b) It will not seek any tax exemption, tax deferral or abatement, either presently or prospectively or any other State or federal law, of the taxation of real property contained in the Development Property between the date of execution of this Agreement and the Termination Date.

(c) It will not seek administrative review or judicial review of the applicability or constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Minimum Improvements or the Developer or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; provided, however, that "tax statute" does not include any local ordinance or resolution levying a tax.

**ARTICLE VII**  
**MORTGAGE FINANCING**

Section 7.1. Financing. Before commencement of construction of the Minimum Improvements, the Developer shall submit to the City and the Authority evidence of one or more commitments for financing which, together with committed equity for such construction, is sufficient for the acquisition of the Development Property, and constructing the Minimum Improvements. Such commitments may be submitted as short-term financing, long-term financing, a bridge loan with a long term take-out financing commitment, or any combination of the foregoing. Such commitment or commitments for short-term or long-term financing shall be subject only to such conditions as are normal and customary in the mortgage banking industry.

Section 7.2. City and Authority's Option to Cure Default on Mortgage. In the event that any portion of the Developer's funds is provided through mortgage financing, and there occurs a default under any Mortgage authorized pursuant to this Article VII, the Developer shall provide the City and the Authority copies of any notice of default received by the Developer from the holder of such Mortgage. Thereafter, the City and the Authority shall have the right, but not the obligation, to cure any such default on behalf of the Developer within such cure periods as are available to the Developer under the Mortgage documents.

## ARTICLE VIII

### PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER; INDEMNIFICATION

Section 8.1. Representation as to Development. The Developer represents and agrees that its purchase of the Development Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Development Property and not for speculation in land holding.

Section 8.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to issuance of the Certificate of Completion for the Minimum Improvements:

(a) Except as specifically described by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same (except a lease to a residential occupant) (collectively a "Transfer"), to any person or entity, without the prior written approval of the City Council. The term "Transfer" does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to acquire the Development Property or construct the Minimum Improvements; (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements; or (iii) any sale, conveyance, or transfer in any form to any Affiliate.

(b) If the Developer seeks to effect a Transfer requiring the approval of the City and the Authority prior to issuance of the Certificate of Completion, the City and the Authority shall be entitled to require as conditions to such Transfer that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority and the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.

(ii) Any proposed transferee, by instrument in writing reasonably satisfactory to the Authority and the City, and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority and the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property and Minimum Improvements to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property and Minimum Improvements, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Authority and the City) deprive the Authority or the City of any rights or remedies or controls with respect to the Development Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property, the Minimum Improvements or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the Authority or the City of or with respect to any rights or remedies on controls

provided in or resulting from this Agreement with respect to the Development Property and Minimum Improvements that the Authority or the City would have had, had there been no such transfer or change. In the absence of specific written agreement by the Authority and the City to the contrary, no such transfer or approval by the Authority and the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the Development Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the Authority and the City.

(c) If the conditions described in paragraph (b) are satisfied then the Transfer will be approved and the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (c) apply to all subsequent transferors, assuming compliance with the terms of this Article.

(d) After issuance of the Certificate of Completion, the Developer may transfer or assign the Minimum Improvements and/or the Developer's rights and obligations under this Agreement with respect to such property without the prior written consent of the City; provided that:

(i) until the Termination Date the transferee or assignee is bound by all the Developer's obligations hereunder with respect to the property and rights transferred. The Developer shall submit to the City written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of the Developer's obligations under this Agreement. If the Developer fails to provide such evidence of transfer and assumption, the Developer shall remain bound by all obligations with respect to the subject property under this Agreement; and

(ii) upon compliance with clause (d)(i) above, the Developer shall be released from its obligations under this Agreement with respect to the property transferred.

The provisions of this paragraph (d) apply to all subsequent transferors, assuming compliance with the terms of this Article.

### Section 8.3. Release and Indemnification Covenants.

(a) The Developer releases from and covenants and agrees that the Authority, the City, and the governing body members, officers, agents, servants, and employees thereof (the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Development Property or the Minimum Improvements other than loss or damage to property or any injury to or death of any person resulting from the willful misconduct of the Indemnified Parties..

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance, and operation of the Development Property.



(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the Development Property or Minimum Improvements except for any action arising from the willful misconduct of the Indemnified Parties.

(d) All covenants, stipulations, promises, agreements, and obligations of the Authority and the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of such entity and not of any governing body member, officer, agent, servant, or employee of such entities in the individual capacity thereof.

## ARTICLE IX

### EVENTS OF DEFAULT

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such thirty-(30) day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

- (a) Failure by the Developer, the City, or Authority to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement;
- (b) Commencement by the Holder of any Mortgage on the Development Property or any improvements thereon, or any portion thereof, of foreclosure proceedings as a result of default under the applicable Mortgage documents; or
- (c) If the Developer shall:
  - (i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law; or
  - (ii) make an assignment for benefit of its creditors; or
  - (iii) admit in writing its inability to pay its debts generally as they become due; or
  - (iv) be adjudicated a bankrupt or insolvent.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 hereof occurs, the non-defaulting party may:

- (a) Suspend its performance under this Agreement until it receives reasonable assurances that the defaulting party will cure its default and continue its performance under this Agreement.
- (b) Cancel and rescind or terminate this Agreement.
- (c) Upon a default by the Developer, the City may terminate the Note and decertify the TIF District.
- (d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement, including but not limited to exercising its rights under Section 469.105 of the EDA Act.

Section 9.3. Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Developer. In the event that subsequent to conveyance of the Development Property to the Developer and prior to receipt by the Developer of the Certificate of Completion for the Minimum Improvements and the Public Improvements:

(a) the Developer, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within ninety (90) days after written notice from the City or the Authority to the Developer to do so; or

(b) subject to Unavoidable Delays, the Developer after commencement of the construction of the Minimum Improvements, fails to carry out its obligations with respect to the construction of such improvements (including the nature and the date for the completion thereof), or abandons or substantially suspends construction work, and any such failure, abandonment, or suspension shall not be cured, ended, or remedied within ninety (90) days after written demand from the City or the Authority to the Developer to do so; or

(c) the Developer fails to pay real estate taxes or assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the City and the Authority made for such payment, removal, or discharge, within sixty (60) days after written demand by the City or Authority to do so; provided, that if the Developer first notifies the City and the Authority of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event the City and the Authority shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest the Developer shall keep the City and the Authority informed respecting the status of such defense; or

(d) there is, in violation of this Agreement, any Transfer of the Development Property, and such violation is not cured within sixty (60) days after written demand by the City or the Authority to the Developer, or if the event is by its nature incurable within sixty (60) days, the Developer does not, within such sixty (60) day period, provide assurances reasonably satisfactory to the City and the Authority that the event will be cured as soon as reasonably possible;

(e) the Developer fails to comply with any of its other covenants under this Agreement related to the Minimum Improvements and the Public Improvements and fails to cure any such noncompliance or breach within sixty (60) days after written demand from the City or the Authority to the Developer to do so, or if the event is by its nature incurable within sixty (60) days, the Developer does not, within such sixty (60) day period, provide assurances reasonably satisfactory to the City and the Authority that the event will be cured as soon as reasonably possible; or

(f) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of the Authority hereunder,

then the Authority shall have the right to re-enter and take possession of the parcel and to terminate (and revest in the Authority) the estate conveyed by the Deed to the Developer, it being the intent of this provision, together with other provisions of this Agreement, that the conveyance of the parcel to the Developer shall be made upon, and that the Deed shall contain a condition subsequent to the effect that in the event of any default on the part of the Developer and failure on the part of the Developer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interests in and to the parcel conveyed to the Developer, and that such title and all rights and interests of the Developer, and any assigns or successors

in interest to and in the parcel, shall revert to the Authority, but only if the events stated in this Section have not been cured within the time periods provided above.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in the Authority of title to and/or possession of the parcel or any part thereof as provided in Section 9.3, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law and of the Development Program to a qualified and responsible party or parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements and the Public Improvements or such other improvements in their stead as shall be satisfactory to the Authority in accordance with the uses specified for such parcel or part thereof in the Development Program. During any time while the Authority has title to and/or possession of a parcel obtained by reverter, the Authority will not disturb the rights of any owner of any tenant under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse the Authority and the City for all costs and expenses incurred by them, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the parcel (but less any income derived by the Authority and the City from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Authority assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of revesting of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of the Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the parcel or part thereof; and any amounts otherwise owing the Authority and the City by the Developer and its successor or transferee; and

(b) Second, to reimburse the Developer, its successor or transferee, up to the amount equal to the amount actually invested by it in making any of the subject improvements on the parcel or part thereof.

Any balance remaining after such reimbursements shall be retained by the Authority as its property.

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority, the City, or Developer in this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority and the City to exercise any remedy reserved to them, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.5. Attorney Fees. Whenever any Event of Default on the part of the Developer occurs and if the City or the Authority employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement

on the part of the Developer under this Agreement, the Developer shall, within ten (10) days of written demand by the City or the Authority, pay to such entity the reasonable fees of such attorneys and such other expenses so incurred by such entity.

## ARTICLE X

### ADDITIONAL PROVISIONS

Section 10.1. Conflict of Interests; Authority and City Representatives Not Individually Liable. The Authority, the City, and the Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority or the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the Authority or the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the Authority or the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 10.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements and the Public Improvements provided for in this Agreement it will comply with all applicable federal, state, and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Developer agrees that, until the Termination Date, the Developer, and its successors and assigns (a) shall use the Development Property solely for the development of residential rental housing in accordance with the terms of this Agreement, and (b) shall not discriminate upon the basis of race, color, creed, sex, or national origin in the sale, lease, or rental, or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by either party to the other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of the Developer, is addressed to or delivered personally to the Developer at [Unique Opportunities Grand Rapids, L.L.C.], at 119 North Union Avenue, Fergus Falls, MN 56537, Attn: Samuel Herzog;

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at City Hall, 420 North Pokegama Avenue, Grand Rapids, MN 55744, Attn: Executive Director; and

(c) in the case of the City, is addressed to or delivered personally to the City at City Hall, 420 North Pokegama Avenue, Grand Rapids, MN 55744, Attn: City Administrator;

or at such other address with respect to either such party as that party may, from time to time, designate in writing and forward to the other as provided in this Section.

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The City may record this Agreement and any amendments thereto with the Itasca County recorder. The Developer shall pay all costs for recording.

Section 10.9. Termination. This Agreement terminates on the Termination Date, except that termination of the Agreement does not terminate, limit or affect the rights of any party that arise before the Termination Date.

Section 10.10. Amendment. This Agreement may be amended only by written agreement approved by the City, the Authority, and the Developer. The Developer shall pay all costs for recording. The Developer's obligations under this Agreement are covenants running with the land for the term of this Agreement, enforceable by the City and the Authority against the Developer, its successor and assigns, and every successor in interest to the Development Property, or any part thereof or any interest therein.

Section 10.11. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the State or federal courts of the State, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 10.12. Good Faith. Each party shall act in good faith and in a commercially reasonable manner with respect to any matter contemplated by this Agreement, including, without limitation, approving or disapproving any request, including any request for approval of plans.

Section 10.13. Estoppel Certificates. The Authority and City agree that they will, from time to time, upon request by Developer and at the Developer sole expense, execute and deliver to Developer and to any parties designated by Developer, within ten (10) days following demand therefor, an estoppel certificate certifying (i) that this Agreement is unmodified and in full force and effect (or if there had been modifications, that the same are in full force and effect as so modified), (ii) that there are no defaults hereunder (or specifying any claim defaults), and (iii) such other matters as may be reasonably requested by Developer including, without limitation, certifications as to the completion and acceptance of the Minimum Improvements and the Public Improvements.

Section 10.14. Interpretation; Concurrence. The language in this Agreement shall be construed simply according to its generally understood meaning, and not strictly for or against any party and no interpretation shall be affected by which party drafted any part of this Agreement. By executing this Agreement, the parties acknowledge that they (a) enter into and execute this Agreement knowingly, voluntarily and willingly of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had a sufficient amount of time to consider this Agreement's terms and conditions, and to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms, appreciate the significance of those terms and have made the decision to accept them as stated herein; and (d) have not relied upon any representation or statement not set forth herein.

Section 10.15. Government Data. The Developer has been required to provide certain data to the City and the Authority, or their consultants in connection with applying for financial assistance in constructing the Minimum Improvements. It is also likely that the Developer will be required to provide additional data to the City or consultants in the course of administering the TIF District to ensure compliance with this Agreement and the TIF Act. All data provided to the City or the Authority or their consultants is government data within the meaning of the Minnesota Statutes, Chapter 13 (the "MGDPA"). The parties recognize that some of the

data provided by the Developer to the City or the Authority or their consultants may be nonpublic data as defined by the MGDPA. The parties acknowledge that the City and the Authority are subject to the MGDPA and will handle all government data in its possession in accordance with the MGDPA, notwithstanding any other agreement or understanding to the contrary.



IN WITNESS WHEREOF, the City, the Authority, and the Developer have caused this Purchase and Development Agreement to be duly executed on or as of the date first above written.

**CITY OF GRAND RAPIDS, MINNESOTA**

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_day of \_\_\_\_\_, 2024 by Tasha Connelly, the Mayor of the City of Grand Rapids, Minnesota, on behalf of the City.

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

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_day of \_\_\_\_\_, 2024 by Tom Pagel, the City Administrator of the City of Grand Rapids, Minnesota, on behalf of the City.

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

Execution page of the Authority to the Purchase and Development Agreement, dated the date and year first written above.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

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

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

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024 by Sholom Blake, the President of the Grand Rapids Economic Development Authority, Minnesota, on behalf of said Authority.

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

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2024 by Robert Mattei, the Executive Director of the Grand Rapids Economic Development Authority, Minnesota, on behalf of said Authority.

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

Execution page of the Developer to the Purchase and Development Agreement, dated the date and year first written above.

**[UNIQUE OPPORTUNITIES GRAND RAPIDS, L.L.C.]**

By \_\_\_\_\_

Its \_\_\_\_\_

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_day of \_\_\_\_\_, 2024 by \_\_\_\_\_, the \_\_\_\_\_ of [Unique Opportunities Grand Rapids, L.L.C.], a Minnesota limited liability company, on behalf of said limited liability company.

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

**EXHIBIT A****LEGAL DESCRIPTION**

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

## Parcel 1:

The South Half of Block Twenty (20), Town of Grand Rapids, Minnesota, according to the plat thereof on file and of record in the office of the Register of Deeds, of Itasca County, Minnesota, AND the West Half (W1/2) of vacated 2nd Avenue East lying adjacent to the South 125 feet (S 125) of Block Twenty (20) LESS that part conveyed by Document No. 45251, described as follows: The West 220 feet of the South half of Block 20, Town of Grand Rapids.

(Torrens Cert. No. 23062)

## Parcel 2:

That portion of Block Twenty-one (21), Town of Grand Rapids, AND the vacated North-South alley lying within Block 21, lying South and West of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24) and the East Half (E1/2) of vacated 2nd Avenue East lying adjacent to Lots Twenty thru Twenty-four (20-24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota. Less and Except that part of Lot 19, Block 21, according to the Plat of Grand Rapids on file in the office of the Itasca County Recorder, lying southwesterly of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Block 21.

AND

That portion of the West Half (W1/2) of Lot Twenty (20), Block Twenty-one (21), Town of Grand Rapids, lying northeast of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

AND

That part of the North Half (N1/2) of vacated Second Street North lying adjacent to Blocks Twenty-one (21) and Twenty-four (24) and lying northeast of the following described line: beginning at a point along the north line of Block Twenty-four (24) lying One Hundred five (105) feet West of the Northeast corner of said Block: thence Northwesterly to the southwest corner of said Lot Twenty-four (24), Block Twenty-one (21) and there terminating.

(Torrens Cert. No. 24386)

## Parcel 3:

That part of the South Half of vacated Second Street North, lying between Blocks 21 and 24, of the Plat of Town of Grand Rapids, Itasca County, Minnesota, lying northeasterly of the following described line:

Beginning at a point on the north line of said Block 24, 105 feet West of the northeast corner thereof; thence northwesterly to the southwest corner of Lot 24, block 21, said Town of Grand Rapids.

(Abstract)

**EXHIBIT B**

**CERTIFICATE OF COMPLETION**

The undersigned hereby certifies that [Unique Opportunities Grand Rapids, L.L.C.] (the “Developer”) has fully complied with its obligations under Articles III and IV of the Purchase and Development Agreement (the “Agreement”), dated August \_\_, 2024, between the City of Grand Rapids, Minnesota, the Grand Rapids Economic Development Authority, and the Developer, with respect to construction of the Minimum Improvements and the Public Improvements (as both defined in the Agreement) in accordance with Article IV of the Agreement, and that the Developer is released and forever discharged from its obligations with respect to construction of the Minimum Improvements and the Public Improvements under Articles III and IV of the Agreement.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

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

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

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by \_\_\_\_\_, the President of the Grand Rapids Economic Development Authority, on behalf of said Authority.

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

STATE OF MINNESOTA     )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_ by Robert Mattei, the Executive Director of the Grand Rapids Economic Development Authority, on behalf of said Authority.

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

This document was drafted by:  
Kennedy & Graven, Chartered (GAF)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402

**EXHIBIT C**  
**FORM OF QUIT CLAIM DEED**  
**QUIT CLAIM DEED**

STATE DEED TAX DUE HEREON: \$\_\_\_\_\_

Date: \_\_\_\_\_, 2024

THIS QUIT CLAIM DEED is between the Grand Rapids Economic Development Authority, a public body corporate and politic (the “Grantor”), and [Unique Opportunities Grand Rapids, L.L.C.], a Minnesota limited liability company (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of Two Hundred Thousand Dollars (\$200,000.00) and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Itasca and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

Parcel 1:

The South Half of Block Twenty (20), Town of Grand Rapids, Minnesota, according to the plat thereof on file and of record in the office of the Register of Deeds, of Itasca County, Minnesota, AND the West Half (W1/2) of vacated 2nd Avenue East lying adjacent to the South 125 feet (S 125) of Block Twenty (20) LESS that part conveyed by Document No. 45251, described as follows: The West 220 feet of the South half of Block 20, Town of Grand Rapids.

(Torrens Cert. No. 23062)

Parcel 2:

That portion of Block Twenty-one (21), Town of Grand Rapids, AND the vacated North-South alley lying within Block 21, lying South and West of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24) and the East Half (E1/2) of vacated 2nd Avenue East lying adjacent to Lots Twenty thru Twenty-four (20-24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

Less and Except that part of Lot 19, Block 21, according to the Plat of Grand Rapids on file in the office of the Itasca County Recorder, lying southwesterly of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Block 21.

AND

That portion of the West Half (W1/2) of Lot Twenty (20), Block Twenty-one (21), Town of Grand Rapids, lying northeast of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130)

feet North of the Southwest corner of Lot Twenty-four (24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

AND

That part of the North Half (N1/2) of vacated Second Street North lying adjacent to Blocks Twenty-one (21) and Twenty-four (24) and lying northeast of the following described line: beginning at a point along the north line of Block Twenty-four (24) lying One Hundred five (105) feet West of the Northeast corner of said Block; thence Northwesterly to the southwest corner of said Lot Twenty-four (24), Block Twenty-one (21) and there terminating.

(Torrens Cert. No. 24386)

Parcel 3:

That part of the South Half of vacated Second Street North, lying between Blocks 21 and 24, of the Plat of Town of Grand Rapids, Itasca County, Minnesota, lying northeasterly of the following described line:

Beginning at a point on the north line of said Block 24, 105 feet West of the northeast corner thereof; thence northwesterly to the southwest corner of Lot 24, block 21, said Town of Grand Rapids.

(Abstract)

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

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

## SECTION 1

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the City of Grand Rapids, Minnesota, the Grantor and the Grantee on the \_\_\_\_ day of August, 2024, identified as "Purchase and Development Agreement" (hereinafter referred to as the "Agreement") and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for acquiring the Development Property or erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City of Grand Rapids, Minnesota, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certifications and such determination shall not constitute evidence of



compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, Itasca County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

## SECTION 2

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in the Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

## SECTION 3

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended that the above and foregoing agreements and covenants shall be covenants running with the land for the term of the Agreement, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or revest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

## SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Grand Rapids, and state and federal laws and regulations in so far as they affect this real estate.

(b) [Others]

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director and has caused its corporate seal to be hereunto affixed this \_\_\_\_\_ day of \_\_\_\_\_, 2024.

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

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

} SS

STATE OF MINNESOTA

COUNTY OF ITASCA

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by Sholom Blake, the President of the Grand Rapids Economic Development Authority, a body corporate and politic of the State of Minnesota, on behalf of said Authority.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RAK)

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

STATE OF MINNESOTA } SS  
COUNTY OF ITASCA

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2024, by Robert Mattei, the Executive Director of the Grand Rapids Economic Development Authority, a body corporate and politic of the State of Minnesota, on behalf of said Authority.

NOTARIAL STAMP OR SEAL (OR OTHER TITLE OR RAK)

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

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

Tax Statements for the real property described in this instrument should be sent to (include name and address of Grantee):

[Unique Opportunities Grand Rapids, L.L.C.]  
\_\_\_\_\_  
\_\_\_\_\_

This instrument drafted by:  
Kennedy & Graven, Chartered (GAF)  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402

**EXHIBIT D**

**PUBLIC DEVELOPMENT COSTS**

Construction of Affordable Housing  
Landscaping, including irrigation  
Grading/earthwork  
Engineering  
Survey  
Environmental Testing  
Soil Borings  
Site Preparation  
Onsite Utilities  
Storm Water/Ponding  
Outdoor Lighting  
Onsite Road, Curb, Gutter, Driveway, Sidewalk and Streetscape Improvements  
Parking

**EXHIBIT E**

**COMPLIANCE CERTIFICATE**

The undersigned officer of [Unique Opportunities Grand Rapids, L.L.C.] (the “Developer”) does hereby certify that as of the date of this Compliance Certificate not less than twenty percent (20%) of the residential units are occupied by individuals whose income is fifty percent (50%) or less of the area median gross income. Attached hereto as **Exhibit A** are the income verifications used to establish the above conclusions broken down by unit type and size.

This Compliance Certificate is given in accordance with the terms of Section 4.6 of the Purchase and Development Agreement, dated August \_\_, 2024, between the City of Grand Rapids, Minnesota, the Grand Rapids Economic Development Authority and the Developer.

Dated this \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

**[UNIQUE OPPORTUNITIES GRAND  
RAPIDS, L.L.C.]**

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

**EXHIBIT A TO COMPLIANCE CERTIFICATE**

Form of Renter’s Income Verification Form

PROPERTY INFORMATION

Postal Address of Property \_\_\_\_\_

Unit Number \_\_\_\_\_

TENANT INFORMATION  
(TO BE COMPLETED BY TENANT)

Name of Tenant \_\_\_\_\_

Phone # \_\_\_\_\_

Number of family/household members: \_\_\_\_\_

Annual Household Income\* \$ \_\_\_\_\_

*\*Annual Household Income must be supported by documentation (i.e. copy of most current 1040’s, etc.). Failure to provide verification will constitute a “non-qualifying tenant”.*

Signature of Tenant(s) \_\_\_\_\_ Date \_\_\_\_\_

\_\_\_\_\_ Date \_\_\_\_\_

INCOME LIMIT INFORMATION  
(TO BE COMPLETED BY DEVELOPER)

20_____ Income Limits	
<u>Family Size</u>	<u>Income</u>
1	
2	
3	
4	
5	
6	
7	
8	

Does the Tenant meet these limits and has appropriate documentation been submitted?

\_\_\_\_\_ YES \_\_\_\_\_ NO

Pursuant to the Purchase and Development Agreement between the City of Grand Rapids and [Unique Opportunities Grand Rapids, L.L.C.] dated as of August \_\_, 2024, at least 13 of the 63 rental units comprising the Minimum Improvements must be reserved for tenants whose income is 50% or less of the area’s median gross income .

Reviewed and approved on behalf of [Unique Opportunities Grand Rapids, L.L.C.]

By \_\_\_\_\_

Date \_\_\_\_\_

**EXHIBIT F**

**AUTHORIZING RESOLUTION**

**CITY OF GRAND RAPIDS, MINNESOTA**

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

APPROVING A PURCHASE AND DEVELOPMENT AGREEMENT, AND  
AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS  
AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE  
NOTE (DOWNTOWN HOUSING DEVELOPMENT) TO [UNIQUE OPPORTUNITIES  
GRAND RAPIDS, L.L.C.]

BE IT RESOLVED BY the City Council (the "Council") of the City of Grand Rapids, Minnesota (the "City") as follows:

Section 1. Recitals; Approval and Authorization; Award of Sale.

1.01. Recitals.

(a) The City has heretofore approved the establishment of the Tax Increment Financing District No. 1-16: Downtown Housing Development, a housing district (the "TIF District"), within Municipal Development District No. 1 in the City (the "Development District"), and has adopted a tax increment financing plan therefor for the purpose of financing certain improvements within the Development District.

(b) To facilitate the development of certain property within the Development District and the TIF District, the City, the Grand Rapids Economic Development Authority (the "Authority"), and [Unique Opportunities Grand Rapids, L.L.C.], a Minnesota limited liability company, or an affiliate thereof or party related thereto (the "Developer"), have negotiated a Purchase and Development Agreement (the "Agreement") which provides for the conveyance of certain real property described in SCHEDULE A attached hereto (the "Development Property") from the Authority to the Developer and the acquisition, construction and equipping by the Developer of an approximately 63-unit multifamily rental housing facility with underground parking and enhanced finishes including \_\_\_\_\_ with at least twenty percent (20%) of such units to be available to persons or families of low and moderate income with all related improvements to be completed, owned and operated by the Developer on the Development Property (the "Minimum Improvements"), and the issuance by the City of its Tax Increment Revenue Note, Series 2024 (Downtown Housing Development) (the "Note") to the Developer.

1.02. Approval of Agreement.

(a) The Council approves the Agreement in substantially the form presented, including the provisions granting a business subsidy to the Developer, 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 (the "Development Documents").

(b) The Council hereby authorizes the Mayor and the City Administrator in their discretion and at such time, if any, as they may deem appropriate, to execute the Development Documents on behalf of the City, and to carry out, the City's obligations thereunder when all conditions precedent thereto have been satisfied. The Development Documents shall be in substantially the form on file with the City and the approval hereby given to the Development 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 City 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 City. The execution of any instrument by the appropriate officers of the City 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 Development Documents shall not be effective until the date of execution thereof as provided herein.

(c) In the event of absence or disability of the officers, any of the documents authorized by this resolution to be executed may be executed without further act or authorization of the City by any duly designated acting official, or by such other officer or officers of the City as, in the opinion of the City Attorney, may act in their behalf. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Development Documents, including without limitation the issuance of tax increment revenue obligations thereunder when all conditions precedent thereto have been satisfied and reserving funds for the payment thereof in the applicable tax increment accounts.

1.04. Authorization of Note. Pursuant to Minnesota Statutes, Section 469.178, the City is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Development District. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The City hereby finds and determines that it is in the best interests of the City that it issue and sell the Note to the Developer for the purpose of financing certain public development costs of the Development District, subject to all terms and conditions of the Agreement.

1.05. Issuance, Sale, and Terms of the Note.

(a) The City hereby authorizes the Mayor and City Administrator to issue the Note in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(b) The Note shall be issued to the Developer in the maximum aggregate principal amount of \$1,328,254 in consideration of certain eligible costs incurred by the Developer in connection with construction of the Minimum Improvements. The Note shall be dated the date of delivery thereof and shall bear interest at the rate of [7.50]% per annum from the date of issue to the earlier of maturity or prepayment. The Note will be issued in the principal amount of the Public Development Costs submitted and approved in accordance with Section 3.6 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note set forth in SCHEDULE B attached hereto. The City hereby delegates to the City Administrator the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Note shall be in substantially the form set forth in SCHEDULE B attached hereto, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue:

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note shall be issued as a single typewritten note numbered R-1. The Note shall be issuable only in fully registered form. Principal of and interest on the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The City hereby appoints the City Administrator of the City to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the City and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of any Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. The Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the City.

(d) Improper or Unauthorized Transfer. When any Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of such Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case the Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the City and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the City. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of its Mayor and City Administrator. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the City Administrator to the owner thereof in accordance with the Agreement.

Section 4. Security Provisions.

4.01. Pledge. The City hereby pledges to the payment of the principal of and interest on the Note all Available Tax Increment as defined in the Note.

4.02. TIF Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the City shall maintain a separate and special "TIF Fund" to be used for the payment of the principal of and interest on the Note. The City irrevocably agrees to appropriate to the TIF Fund on or before each Payment Date the Available Tax Increment in an amount equal to the Payment then due, or the actual Available Tax Increment, whichever is less. Any Available Tax Increment remaining in the TIF Fund upon the termination of the Note in accordance with its terms may be used for any authorized purpose in accordance with the TIF Act.

4.03. Additional Obligations. The City will issue no other obligations secured in whole or in part by Available Tax Increment unless such pledge is on a subordinate basis to the pledge on the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the owner of the Note certified copies of all proceedings and records of the City, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality and marketability of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the City as to the facts recited therein.

Section 6. Effective Date. This resolution shall be effective upon approval.

Approved this \_\_\_ day of \_\_\_\_\_, 2024, by the City Council of the City of Grand Rapids, Minnesota.

\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City Clerk

## SCHEDULE A

### DEVELOPMENT PROPERTY

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

Parcel 1:

The South Half of Block Twenty (20), Town of Grand Rapids, Minnesota, according to the plat thereof on file and of record in the office of the Register of Deeds, of Itasca County, Minnesota, AND the West Half (W1/2) of vacated 2nd Avenue East lying adjacent to the South 125 feet (S 125) of Block Twenty (20) LESS that part conveyed by Document No. 45251, described as follows: The West 220 feet of the South half of Block 20, Town of Grand Rapids.

(Torrens Cert. No. 23062)

Parcel 2:

That portion of Block Twenty-one (21), Town of Grand Rapids, AND the vacated North-South alley lying within Block 21, lying South and West of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24) and the East Half (E1/2) of vacated 2nd Avenue East lying adjacent to Lots Twenty thru Twenty-four (20-24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota. Less and Except that part of Lot 19, Block 21, according to the Plat of Grand Rapids on file in the office of the Itasca County Recorder, lying southwesterly of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Block 21.

AND

That portion of the West Half (W1/2) of Lot Twenty (20), Block Twenty-one (21), Town of Grand Rapids, lying northeast of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

AND

That part of the North Half (N1/2) of vacated Second Street North lying adjacent to Blocks Twenty-one (21) and Twenty-four (24) and lying northeast of the following described line: beginning at a point along the north line of Block Twenty-four (24) lying One Hundred five (105) feet West of the Northeast corner of said Block: thence Northwesterly to the southwest corner of said Lot Twenty-four (24), Block Twenty-one (21) and there terminating.

(Torrens Cert. No. 24386)

Parcel 3:

That part of the South Half of vacated Second Street North, lying between Blocks 21 and 24, of the Plat of Town of Grand Rapids, Itasca County, Minnesota, lying northeasterly of the following described line:

Beginning at a point on the north line of said Block 24, 105 feet West of the northeast corner thereof; thence northwesterly to the southwest corner of Lot 24, block 21, said Town of Grand Rapids.

(Abstract)

**SCHEDULE B**

**FORM OF TIF NOTE**

UNITED STATE OF AMERICA  
STATE OF MINNESOTA  
COUNTY OF ITASCA  
CITY OF GRAND RAPIDS

No. R-1

\$ \_\_\_\_\_

TAX INCREMENT REVENUE NOTE  
SERIES 2024  
(DOWNTOWN HOUSING DEVELOPMENT)

Rate

Date of Original Issue

[7.50]%

\_\_\_\_\_, 20\_\_

The City of Grand Rapids, Minnesota (the "City") for value received, certifies that it is indebted and hereby promises to pay to [Unique Opportunities Grand Rapids, L.L.C.], a Minnesota limited liability company, or its registered assigns (the "Owner"), the principal sum of \$\_\_\_\_\_ and to pay interest thereon at the rate of 7.50% per annum, solely from the sources and to the extent set forth herein. Capitalized terms shall have the meanings provided in the Purchase and Development Agreement, dated as of August \_\_, 2024 (the "Agreement"), between the City, the Grand Rapids Economic Development Authority (the "Authority"), and the Owner, unless the context requires otherwise.

1. Payments. Principal and interest (the "Payments") shall be paid on August 1, 2026 and each August 1 and February 1 thereafter (the "Payment Dates") to and including the earliest of (i) February 1, 2052, (ii) such date (if any) as the Authority shall have terminated the Agreement pursuant to its terms, or (iii) until the Developer has received the principal amount of the Note plus accrued interest thereon (the "Final Payment Date"), in the amounts and from the sources set forth in Section 3 hereof. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon thirty (30) days written notice to the City. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Simple, non-compounding interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall be computed on the basis of a year of 360 days consisting of twelve 30-day months and shall be charged for actual days principal is unpaid.

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of Available Tax Increment, which shall mean 90% of the Tax Increment attributable to the Minimum Improvements and Development Property that is paid to the City by Itasca County in the six (6) months preceding the Payment Date on the Note. Available Tax Increment shall not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement.

The City shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the City to pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the City pays principal and interest hereon to the extent of Available Tax Increment. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the Final Payment Date.

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default under the Agreement, the City may withhold from payments hereunder all Available Tax Increment. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, on the next Payment Date after the Event of Default is cured. If the Event of Default is not cured in a timely manner, the City may terminate this Note by written notice to the Owner in accordance with the Agreement.

5. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Note.

6. Termination. At the City's option, this Note shall terminate and the City's obligation to make any payments under this Note shall be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured following notice to the Developer and the applicable cure period in accordance with the Agreement.

7. Nature of Obligation. This Note is issued in the total principal amount of \$\_\_\_\_\_, issued to aid in financing certain public development costs and administrative costs of a Development District undertaken by the City pursuant to Minnesota Statutes, Sections 469.124 through 469.133, as amended, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the City on August 12, 2024, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended. This Note is a limited obligation of the City which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the City, the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, the City, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the City or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

8. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the City kept for that purpose at the principal office of the City Administrator of the City, by the Owner hereof in person or by such Owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the City, duly executed by the Owner and an investment letter executed by the transferee to the City. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the City with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate and maturing on the same date.

Except as otherwise provided in Section 3.7(b) of the Agreement, this Note shall not be transferred to any person or entity, unless the City has provided written consent to such transfer.

9. Estimates of Available Tax Increment. Any estimates of Tax Increment prepared by the City or its financial advisors in connection with the Available Tax Increment and the Agreement are for the benefit of the City only, and are not intended as representations on which the Developer may rely.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the City according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

IN WITNESS WHEREOF, the City Council of the City of Grand Rapids, Minnesota has caused this Note to be executed with the manual signatures of its Mayor and City Administrator, all as of the Date of Original Issue specified above.

CITY OF GRAND RAPIDS, MINNESOTA

\_\_\_\_\_  
Mayor

\_\_\_\_\_  
City Administrator

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the Note herein is registered in the bond register of the City Administrator of the City of Grand Rapids, Minnesota, in the name of the person last listed below.

Date of Registration

Registered Owner

Signature of  
City Administrator

[Unique Opportunities Grand  
Rapids, L.L.C.]  
Federal Tax I.D. No.:

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_



Adoption Date: August 12, 2024

# City of Grand Rapids Itasca County, Minnesota

## MODIFICATION TO THE DEVELOPMENT PROGRAM Municipal Development District No. 1 &

## Tax Increment Financing (TIF) Plan Establishment of Tax Increment Financing District No. 1-16: Downtown Housing Development (a housing district)



Prepared by:

Ehlers  
3060 Centre Pointe Drive  
Roseville, Minnesota 55113

**BUILDING COMMUNITIES. IT'S WHAT WE DO.**

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# Modification to the Development Program for Municipal Development District No. 1

## FOREWORD

The following text represents a Modification to the Development Program for Municipal Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Municipal Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 1-16: Downtown Housing Development.

For further information, a review of the Development Program for Municipal Development District No. 1, is recommended. It is available from the Community Development Director at the City of Grand Rapids. Other relevant information is contained in the tax increment financing plans for the tax increment financing districts located within Municipal Development District No. 1.

# Tax Increment Financing Plan for Tax Increment Financing District No. 1-16: Downtown Housing Development

## FOREWORD

The City of Grand Rapids (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 1-16: Downtown Housing Development (the "District"), a housing tax increment financing district, located in Municipal Development District No. 1.

## STATUTORY AUTHORITY

Within the City, there exist areas where public involvement is necessary to cause development or redevelopment to occur. To this end, the City has certain statutory powers pursuant to *Minnesota Statutes ("M.S."), Sections 469.124 - 469.133*, inclusive, as amended, and *M.S., Sections 469.174 to 469.1794*, inclusive, as amended (the "TIF Act"), to assist in financing public costs related to this project.

This section contains the Tax Increment Financing Plan (the "TIF Plan") for the District. Other relevant information is contained in the Modification to the Development Program for Municipal Development District No. 1.

## STATEMENT OF OBJECTIVES

The District currently consists of one (1) parcel of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the development of approximately 63 units of rental housing in the City. A portion of the units will be affordable. The City has not entered into an agreement but anticipates entering into an agreement with Unique Opportunities Grand Rapids, L.L.C. or an entity related thereto or affiliated therewith (the "Developer"). Development is likely to begin in the fall of 2024. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for Municipal Development District No. 1.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of Municipal Development District No. 1 and the District.

## DEVELOPMENT PROGRAM OVERVIEW

Pursuant to the Development Program and authorizing state statutes, the City is authorized to undertake the following activities in the District:

1. Property to be Acquired - The Grand Rapids Economic Development Authority (GREDA) currently owns the parcel of property within the District. The remaining property located within the District, including interior and adjacent street rights of way, may be acquired by the City or GREDA.
2. Upon approval of a developer’s plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
3. The City may perform or provide for some or all necessary acquisition, construction, demolition, and required utilities and public street work within the District.

## DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

The District encompasses all property and adjacent roads rights-of-way and abutting roadways identified by the parcels listed below.

Parcel number	Address	Owner
91-410-2020	Unassigned	GREDA

Please also see the map in Appendix A for further information on the location of the District.

GREDA currently owns the parcel of the property to be included in the District.

The City does not currently intend to acquire any property within the District but reserves the right to acquire and convey (for full value or a discount) such property, or appropriate interests therein including interior and adjacent street rights of way within Municipal Development District No. 1 as the City may deem to be necessary or desirable to assist in the implementation of the Development Program and the TIF Plan.

Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: construct storm sewer improvements; provide land for needed public streets, utilities and facilities; and/or carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this TIF Plan. The City will not exercise eminent domain powers in the District with respect to property for the Development.

## DISTRICT CLASSIFICATION

The City, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that the District to be established is a housing district pursuant to M.S., Section 469.174, Subd. 11 and M.S., Section 469.1761.

- The District consists of one (1) parcel
- The development will consist of approximately 63 units of multi-family rental housing
- 20% of the units will be occupied by persons or families with incomes less than 50% of area median income
- No more that 20% of the square footage of the building that is receiving assistance from tax increment consists of commercial, retail or other non-residential uses.

Pursuant to *M.S., Section 469.176, Subd. 7*, the District does not contain any parcel or part of a parcel that qualified under the provisions of *M.S., Sections 273.111, 273.112, or 273.114 or Chapter 473H* for taxes payable in any of the five calendar years before the filing of the request for certification of the District.

## DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2027, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2052, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

## ORIGINAL TAX CAPACITY, TAX RATE & ESTIMATED CAPTURED NET TAX CAPACITY VALUE/INCREMENT & NOTIFICATION OF PRIOR PLANNED IMPROVEMENTS

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2024 for taxes payable 2025.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2027) the amount by which the original value has increased or decreased as a result of:

1. Change in tax exempt status of property;
2. Reduction or enlargement of the geographic boundaries of the District;
3. Change due to adjustments, negotiated or court-ordered abatements;
4. Change in the use of the property and classification;
5. Change in state law governing class rates; or
6. Change in previously issued building permits.

In any year in which the current Net Tax Capacity (NTC) value of the District declines below the ONTC, no value will be captured and no tax increment will be payable to the City.

The original local tax rate for the District will be the local tax rate for taxes payable 2025, assuming the request for certification is made before June 30, 2025. The rates for 2025 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4 and M.S., Section 469.177, Subds. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within Municipal Development District No. 1, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100% of the available increase in tax capacity be used for repayment of the obligations of the City and current expenditures, beginning in the tax year payable 2027. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity	
Development estimated Tax Capacity upon completion	\$200,103
Original estimated Net Tax Capacity	3,035
Fiscal Disparities	0
Estimated Captured Tax Capacity	<b>\$197,068</b>
Original Local Tax Rate	138.8750% Pay 2024
Estimated Annual Tax Increment	<b>\$273,678</b>
Percent Retained by the City	100%

Note: Tax capacity includes a 3% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 25. The tax capacity of the District in year one is estimated to be \$49,219.

Pursuant to *M.S., Section 469.177, Subd. 4*, the City shall, after a due and diligent search, accompany its request for certification to the County Auditor or its notice of the District enlargement pursuant to *M.S., Section 469.175, Subd. 4*, with a listing of all properties within the District or area of enlargement for which building permits have been issued during the eighteen (18) months immediately preceding approval of the TIF Plan by the municipality pursuant to *M.S., Section 469.175, Subd. 3*. The County Auditor shall increase the original net tax capacity of the District by the net tax capacity of improvements for which a building permit was issued.

The City is reviewing the area to be included in the District to determine if any building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

**SOURCES OF REVENUE/BONDS TO BE ISSUED**

The total estimated tax increment revenues for the District are shown in the table below:

SOURCES	
Tax Increment	\$4,925,138
Interest	492,514
<b>TOTAL</b>	<b>\$5,417,652</b>

The costs outlined in the Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan.



This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of \$5,417,652. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

**USES OF FUNDS**

Currently under consideration for the District is a proposal to facilitate the development of approximately 63 units of rental housing. The City has determined that it will be necessary to provide assistance to the project for certain District costs, as described herein.

The City has studied the feasibility of the development or redevelopment of property in and around the District. To facilitate the establishment and development or redevelopment of the District, this TIF Plan authorizes the use of tax increment financing to pay for the cost of certain eligible expenses. The estimate of public costs and uses of funds associated with the District is outlined in the following table.

<b>USES</b>	
Land/Building Acquisition	\$ 200,000
Site Improvements/Preparation	1,750,000
Affordable Housing	-
Utilities	-
Other Qualifying Improvements	50,829
Administrative Costs (up to 10%)	492,514
<b>PROJECT COSTS TOTAL</b>	<b>\$ 2,493,343</b>
Interest	2,924,309
<b>PROJECT AND INTEREST COSTS TOTAL</b>	<b>\$ 5,417,652</b>

The total project cost, including financing costs (interest) listed in the table above does not exceed the total projected tax increments for the District as shown in the Sources of Revenue section.

Estimated costs associated with the District are subject to change among categories without a modification to the TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. The City may expend funds for qualified housing activities outside of the District boundaries.

**ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS**

The estimated impact on other taxing jurisdictions assumes that the redevelopment contemplated by the TIF Plan would occur without the creation of the District. However, the City has determined that such development or redevelopment would not occur "but for" tax increment financing and that, therefore, the fiscal impact on other taxing jurisdictions is \$0. The estimated fiscal impact of the District would be as follows if the "but for" test was not met:

Impact on Tax Base			
Entity	2023/ Pay 2024 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Itasca County	86,250,185	197,068	<b>0.2285%</b>
City of Grand Rapids	11,698,039	197,068	<b>1.6846%</b>
ISD 318 (Itasca County)	60,239,243	197,068	<b>0.3271%</b>

Impact on Tax Rates				
Entity	Pay 2024 Extension Rate	Percent of Total	CTC	Potential Taxes
Itasca County	46.6720%	33.61%	197,068	<b>\$ 91,976</b>
City of Grand Rapids	73.7170%	53.08%	197,068	<b>145,273</b>
ISD 318 (Itasca County)	18.2660%	13.15%	197,068	<b>35,996</b>
Other	0.2200%	0.16%	197,068	<b>434</b>
	<b>138.8750%</b>	<b>100.00%</b>		<b>\$273,679</b>

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2024 rate. The total net capacity for the entities listed above are based on Pay 2024 figures. The District will be certified under the Pay 2025 rates, which were unavailable at the time this TIF Plan was prepared.

Pursuant to *M.S., Section 469.175 Subd. 2(b)*:

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$4,925,138;
- (2) Probable impact of the District on City provided services and ability to issue debt. A minimal impact of the District on police protection is expected. With any addition of new residents or businesses, police calls for service will be increased. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in police vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction including a sprinkler system. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in fire vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is expected to be minimal. It is not anticipated that there will be any general obligation debt issued in relation to this project, therefore there will be no impact on the City's ability to issue future debt or on the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$647,795;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$1,655,201;
- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175 Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

No requests for additional information from the county or school district regarding the proposed development for the District have been received.

## SUPPORTING DOCUMENTATION

Pursuant to *M.S., Section 469.175, Subd. 1 (a), clause 7* this TIF Plan must contain identification and description of studies and analyses used to make the determination set forth in *M.S., Section 469.175, Subd. 3, clause (b)(2)* and the findings are required in the resolution approving the District.

- (i) In making said determination, reliance has been placed upon (1) written representation made by the Developer to such effects, (2) review of the Developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the District and Appendix C.

## DISTRICT ADMINISTRATION

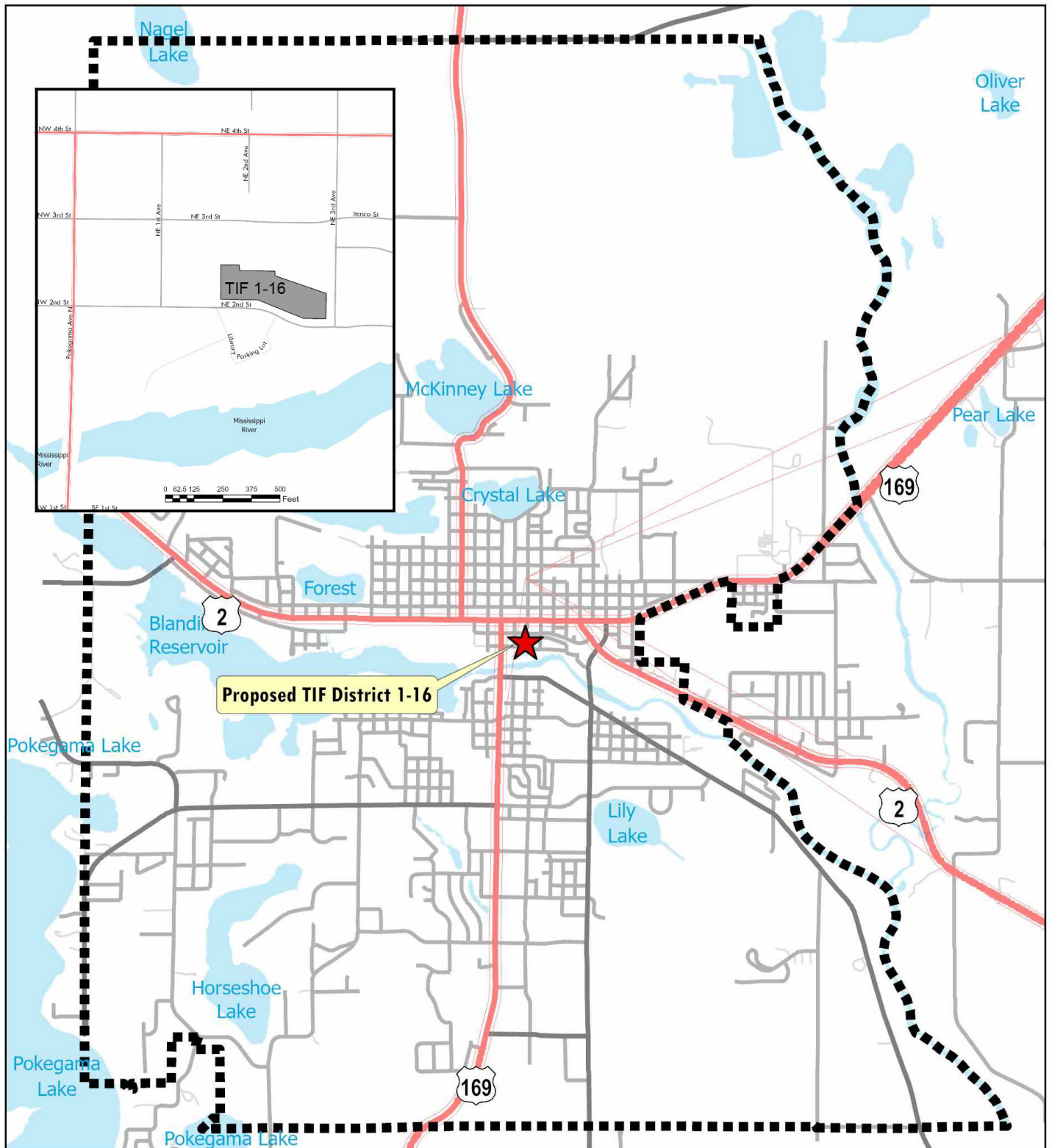
Administration of the District will be handled by the Community Development Director.

## **Appendix A: Map of Municipal Development District No. 1 and the TIF District**

# Tax Increment Financing District No. 1-16: Downtown Housing

## Municipal Development District No. 1 in the City of Grand Rapids, MN

The boundaries of Municipal Development District No. 1 are coterminous with the City limits.



### Legend

 City Limits/Development District

0 0.2 0.4 0.8 1.2 1.6 Miles



## Appendix B: Estimated Cash Flow for the District

## Proposed Apartment Development by Unique Opportunities in Housing TIF District - 3% Inflation

City of Grand Rapids, MN

Apartment Development on the GREDA Block 20/21 site (\$125,000 / unit value)



### ASSUMPTIONS AND RATES

District Type:	Housing
District Name/Number:	TIF 1-16
County District #:	TBD
First Year Construction or Inflation on Value	2025
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	3.00%
Interest Rate:	7.50%
Present Value Date:	1-Aug-25
First Period Ending	1-Feb-26
Tax Year District was Certified:	Pay 2025
Cashflow Assumes First Tax Increment For Development:	2027
Years of Tax Increment	26
Assumes Last Year of Tax Increment	2052
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	NA
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	NA
Fiscal Disparities Metro-Wide Tax Rate	NA
Maximum/Frozen Local Tax Rate:	138.875% Pay 2024
Current Local Tax Rate: (Use lesser of Current or Max.)	138.875% Pay 2024
State-wide Tax Rate (Comm./Ind. only used for total taxes)	29.2940% Pay 2024
Market Value Tax Rate (Used for total taxes)	0.09476% Pay 2024

Tax Rates		
Exempt Class Rate (Exempt)		0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)		
First \$150,000		1.50%
Over \$150,000		2.00%
Commercial Industrial Class Rate (C/I)		2.00%
Rental Housing Class Rate (Rental)		1.25%
Affordable Rental Housing Class Rate (Aff. Rental)		
First \$100,000		0.25%
Over \$100,000		0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)		
First \$500,000		1.00%
Over \$500,000		1.25%
Homestead Residential Class Rate (Hmstd. Res.)		
First \$500,000		1.00%
Over \$500,000		1.25%
Agricultural Non-Homestead		1.00%

BASE VALUE INFORMATION (Original Tax Capacity)														
Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	91-410-2020	GREDA		242,800	0	242,800	100%	242,800	Pay 2025	Exempt	-	Rental	3,035	1
				242,800	0	242,800		242,800			0		3,035	

- Note:**
1. Base values are for pay 2024 based on information from the County Assessor dated May 17, 2024 and review of County website.
  2. Parcel is located in ISD 318.



### Proposed Apartment Development by Unique Opportunities in Housing TIF District - 3% Inflation

City of Grand Rapids, MN  
 Apartment Development on the GREDA Block 20/21 site (\$125,000 / unit value)



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	Percentage Completed 2028	First Year Full Taxes Payable
TOTAL	Apartments	125,000	125,000	63	7,875,000	Rental	98,438	1,563	50%	100%	100%	100%	2028
Subtotal Residential				63	7,875,000		98,438						
Subtotal Commercial/Ind.				0	0		0						

**Note:**

1. Market values are based on information from the County Assessor dated May 17, 2024.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Apartments	98,438	0	98,438	136,705	0	0	7,462	144,167	2,288.37
TOTAL	98,438	0	98,438	136,705	0	0	7,462	144,167	

**Note:**

1. Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	144,167
less State-wide Taxes	0
less Fiscal Disp. Adj.	0
less Market Value Taxes	(7,462)
less Base Value Taxes	(4,215)
Annual Gross TIF	132,490



## Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan for Tax Increment Financing District No. 1-16: Downtown Housing Development, as required pursuant to *Minnesota Statutes, (M.S.) Section 469.175, Subdivision 3* are as follows:

1. *Finding that Tax Increment Financing District No. 1-16: Downtown Housing Development is a housing district as defined in M.S., Section 469.174, Subd. 11.*

Tax Increment Financing District No. 1-16: Downtown Housing Development consists of one (1) parcel. The development will consist of the development of approximately 63 units of rental housing, all or a portion of which will receive tax increment assistance and will meet income restrictions described in *M.S. Section 469.1761*. At least 20% of the units receiving assistance will be occupied by individuals and families whose incomes are at or below 50% of area median income.

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future.*

*The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future:* This finding is supported by the fact that the development proposed in the TIF Plan is a housing district that meets the City's objectives for development and redevelopment. The cost of land acquisition, site and public improvements and utilities makes this housing development infeasible without City assistance. Due to decreased rental income from affordable units, there is insufficient cash flow to provide a sufficient rate of return, pay operating expenses, and service the debt. This leaves a gap in the funding for the project and makes this housing development feasible only through assistance, in part, from tax increment financing. The Developer was asked for and provided a letter and a proforma as justification that the Developer would not have gone forward without tax increment assistance.

*The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of the District permitted by the TIF Plan:* This finding is justified on the grounds that the cost of land acquisition, site and public improvements, utilities and construction of affordable housing add to the total development cost. Historically, the costs of site and public improvements as well as reduced rents required for affordable workforce housing in the City have made development infeasible without tax increment assistance. The City reasonably determines that no other development of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

3. *Finding that the TIF Plan for Tax Increment Financing District No. 1-16: Downtown Housing Development conforms to the general plan for the development or redevelopment of the municipality as a whole.*

The City Council reviewed the TIF Plan and found that it conforms to the general development plan of the City.

4. *Finding that the TIF Plan for Tax Increment Financing District No. 1-16: Downtown Housing Development will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Municipal Development District No. 1 by private enterprise.*

Through the implementation of the TIF Plan, the City will provide an impetus for residential development, which is desirable or necessary for increased population and an increased need for life-cycle housing within the City. The TIF Plan also helps GREDA meet their goal of providing more affordable housing options in the City and will help develop a site with the City's downtown consistent with the City's downtown development plan.



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** August 8, 2024

**STATEMENT OF ISSUE:** Consider the adoption of a resolution authorizing the issuance of taxable revenue notes to the Charles K. Blandin Foundation pursuant to Program Related Investment Agreements for Commercial Building Improvement and Redevelopment Loan programs.

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

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### **BACKGROUND:**

As detailed in the attached letter, in May GREDA requested a draw upon both of their current Blandin Foundation Program Related Investments (PRI).

The requested draw of the remaining balance of both PRI funds, which are both set to soon expire, was for the purpose of providing gap financing for two Downtown redevelopment projects, the redevelopment of the vacant former IEDC office, converting it into a restaurant and the redevelopment of the former Pluemers building to convert it to a specialty retail use.

The funds from the Blandin Foundation have been deposited with GREDA. In accordance with the PRI agreements, GREDA is to issue non-recourse taxable revenue notes to the Blandin Foundation which are attached as exhibits to the resolution.

### **RECOMMENDATION:**

**REQUIRED ACTION:** Pass a motion adopting a resolution authorizing the issuance of taxable revenue notes to the Charles K. Blandin Foundation pursuant to Program Related Investment Agreements for Commercial Building Improvement and Redevelopment Loan programs.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

**RESOLUTION NO. 24-\_\_\_**

**RESOLUTION AUTHORIZING THE ISSUANCE OF TAXABLE  
REVENUE NOTES TO CHARLES K. BLANDIN FOUNDATION  
PURSUANT TO PROGRAM RELATED INVESTMENT  
AGREEMENTS FOR COMMERCIAL BUILDING  
IMPROVEMENT PROGRAM AND REDEVELOPMENT LOAN  
PROGRAM**

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

Section 1. Recitals.

1.01. Program Related Investment Agreements.

- (a) The Authority and the Charles K. Blandin Foundation (“Blandin”) entered into Program Related Investment Agreements for the Authority’s Commercial Building Improvement Loan Program dated as of April 1, 2020, as amended by a First and Second Addenda thereto (as so amended, the “CBI PRI Agreement”), for the purpose of establishing an Authority revolving loan fund (the “CBI Loan Fund”), from which the Authority agreed to make loans (the “CBI Developer Loans”) for commercial building improvements to businesses located within the City of Grand Rapids (the “City”), which CBI Developer Loans were evidenced by promissory notes and secured by mortgages from the borrowers to the Authority.
- (b) The Authority and Blandin entered into a Program Related Investment Agreement for the Authority’s Redevelopment Loan Program dated as of January 2, 2020, as amended by a First and Second Addenda thereto (as so amended, the “Redevelopment PRI Agreement” and together with the CBI PRI Loan Agreement, the “PRI Loan Agreements”), for the purpose of establishing an Authority revolving loan fund (the “Redevelopment Loan Fund” and together with the CBI Loan Fund, the “Loan Funds”), from which the Authority agreed to make loans (the “Redevelopment Developer Loans” and together with the CBI Developer Loans, the “Developer Loans”) for certain redevelopment projects located within the City, which Redevelopment Developer Loans were evidenced by promissory notes and secured by mortgages from the borrowers to the Authority.
- (c) Pursuant to the PRI Agreements, the Authority was authorized to make Developer Loans over the time necessary to fully spend down the Loan Funds, and to issue its taxable revenue note or notes (the “Notes”) to Blandin upon fully expending the Loan Funds, rather than issuing a separate note to Blandin for each Developer Loan.
- (d) Pursuant to the PRI Agreements, the Loan Funds were available to support two types of loans, the first for commercial building improvements and the second as redevelopment projects. The Authority made Developer Loans under both programs.

- (e) The Authority made its final Developer Loans from Redevelopment Loan Fund and the CBI Development Loan Fund on \_\_\_\_\_, has fully expended both of the Loan Funds, and is receiving repayments under each Developer Loan.

1.02. Notes Authorized; Issuance and Terms of the Notes. The Board hereby authorizes issuance of the Notes to Blandin to evidence the Authority's obligation to repay the Loan Funds pursuant to the PRI Agreements. The Authority will issue two Notes to Blandin pursuant to the terms of the PRI Agreements, reflecting the loan terms under the two programs supported by the Loan Funds. The Notes shall be dated as of August 8, 2024, and shall bear interest from the date of issue as provided in the form of Notes in Exhibit A and B attached hereto hereof to the earlier of maturity or prepayment.

Section 2. Form of Notes. The Notes shall be in substantially the forms as attached in Exhibits A and B attached hereto.

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Notes shall be issued as typewritten notes numbered R-1.

Principal of and interest on the Notes shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the Notes shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The Authority hereby appoints the Executive Director to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of a Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. Notwithstanding the foregoing, the Notes shall not be transferred to any person other than an affiliate, or other related entity, of Blandin unless the Authority has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. The Registrar may close the books for registration of any transfer after the fifteenth day of the month preceding each Payment Date and until such Payment Date.

(c) Cancellation. A Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(d) Improper or Unauthorized Transfer. When a Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or

separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name a Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of a Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the Authority and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Authority. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Notes shall be prepared under the direction of the Executive Director and shall be executed on behalf of the Authority by the signatures of its President and Executive Director. In case any officer whose signature shall appear on the Notes shall cease to be such officer before the delivery of the Notes, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Notes have been so executed, they shall be delivered by the Executive Director to Blandin in accordance with the PRI Agreement.

#### Section 4. Security Provisions.

4.01. Pledge. The Authority hereby pledges to the payment of the principal of and interest on the Notes all repayments of the Developer Loans as defined in the Notes, subject to the provisions of Section 4.02 hereof. Repayments of each Developer Loan shall be applied to payment of the principal of and interest on the Notes in accordance with the terms of the form of Notes set forth in Section 2 of this resolution.

4.02. Note Fund. Until the date the Notes are no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the Authority shall maintain a separate and special "Note Fund" to be used for no purpose other than the payment of the principal of and interest on the Notes. The Authority irrevocably agrees to appropriate to the Note Fund on or before each Payment Date the repayments under the Developer Loans. Any repayment amounts of the Developer Loans remaining in the Note Fund shall be retained by the Authority upon the termination of the Notes in accordance with their terms.



Section 5.        Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to Blandin certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality of the Notes as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Adopted by the Board of Commissioners of the Grand Rapids Economic Development Authority  
this 8th day of August, 2024.

**GRAND RAPIDS ECONOMIC DEVELOPMENT  
AUTHORITY**

\_\_\_\_\_  
President

ATTEST:

\_\_\_\_\_  
Secretary

**EXHIBIT A****Commercial Building Improvement Loan Program Note****NON-RECOURSE PROMISSORY NOTE**

\$400,000  
2.0%

August 8, 2024

FOR VALUE RECEIVED, Grand Rapids Economic Development Authority (the “**Authority**”) hereby promises to pay to the order of the Charles K. Blandin Foundation (“**Blandin**”), or its successors or assigns as the case may be, at Blandin’s principal place of business, or such other place as may be specified in writing by Blandin, the principal sum of \$400,000 or so much thereof as may be advanced under this Note, with interest as hereinafter provided. The terms governing repayment of the principal and interest shall be as described below. All payments shall be due and payable in lawful money of the United States of America.

This Note is issued under the terms and conditions of that certain Program Related Investment (PRI) Agreement for the Authority’s Commercial Building Improvement Loan Program between the Authority and Blandin dated as of April 1, 2020, as amended by a First and Second Addenda thereto (the “**PRI Agreement**”). The holder thereof is entitled to all of the benefits and subject to all of the obligations provided for in said PRI Agreement, or referred to in said PRI Agreement, to which PRI Agreement reference is made for a statement of the terms and conditions under which this indebtedness was incurred and the events of default under which the due date of this Note may be accelerated. The provisions of the PRI Agreement are incorporated by reference herein with the same force and effect as if fully set forth herein.

Draws on this Note will be transferred to the Authority within 30 days after written draw requests by the Authority dated after the date of execution of the PRI Agreement and this Note. Draw requests in an aggregate amount not exceeding \$400,000 will be processed until December 31, 2024. Any amounts not advanced under this Note by such date will be retained by Blandin.

This Note matures ten (10) years from the date this Note (the “**Maturity Date**”). Repayment of this Note will consist of a single balloon payment of the unpaid principal, plus any interest accrued and unpaid, on the Maturity Date of this Note. Principal of and accrued interest on this Note may be fully or partially prepaid at any time without premium or penalty.

During the term of this Note, simple interest at the rate of two percent (2.0%) shall accrue on each draw from the date of disbursement of such draw by Blandin to the Authority pursuant to each draw request until this Note is paid in full. Payments of interest on amounts disbursed under this Note shall commence on January 15, 2025 and continue on each January 15, thereafter until the Maturity Date. No interest shall be payable on any amounts retained by Blandin and not disbursed to the Authority.

Maker waives presentment, dishonor, protest, demand, diligence, notice of protest, notice of demand, notice of dishonor, notice of nonpayment, and any other notice of any kind otherwise required by law in connection with the delivery, acceptance, performance, default, enforcement, or collection of this Note and expressly agrees that this Note, or any payment hereunder, may be extended or subordinated (by forbearance or otherwise) at any time, without in any way affecting the liability of Grand Rapids Economic Development Authority.

This Note is issued by the Authority pursuant to and in accordance with Minnesota Statutes, Section 469.103 for the purpose of providing funds to make loans to the Developers within the City of Grand Rapids, and specifically pursuant to its Commercial Building Improvement Loan Program (the "Program"). The proceeds of this Note shall reimburse the Authority for Authority funds loaned to developers (the "Developers") pursuant to the Program. Under the terms of the Program, each Developer has agreed to repay the Developer Loans, together with interest thereon, in installments scheduled to be sufficient to pay the principal of and interest on this Note when due. This Note is payable solely from and to the extent of repayment of the Developer Loans pursuant to the Program. This Note is further secured by mortgages given by each Developer to the Authority pursuant to the Program.

This Note is a special limited obligation of the Authority. This Note shall not be payable from nor charged upon any funds other than the repayment of the Developer Loans, nor shall the Authority be subject to any liability hereon or have the powers to obligate itself to pay this Note from funds other than the Developer Loan repayments and no holder of this Note shall ever have the right to compel any exercise of any taxing power of the Authority or the City of Grand Rapids or any other public body, to pay the principal of or interest on this Note, nor to enforce payment thereof against any property of the Authority or other public body other than that expressly pledged for payment of the Note.

This Note may not be amended or modified, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing signed by the party against whom the enforcement of any amendment, modification, or waiver is sought.

This Note shall be governed by and construed according to the laws of the State of Minnesota without regard to conflict of laws principles.

IN WITNESS WHEREOF, Grand Rapids Economic Development Authority has executed this Note as of the date first above written.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

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

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

**EXHIBIT B****NON-RECOURSE PROMISSORY NOTE****Redevelopment Loan Program Note**

\$210,000  
4.50%

August 8, 2024

FOR VALUE RECEIVED, Grand Rapids Economic Development Authority (the “**Authority**”) hereby promises to pay to the order of Charles K. Blandin Foundation (“**Blandin**”), or its successors or assigns as the case may be, at Blandin’s principal place of business, or such other place as may be specified in writing by Blandin, the principal sum of \$210,000, with interest as hereinafter provided. The terms governing repayment of the principal shall be as described below. All payments shall be due and payable in lawful money of the United States of America.

This Note is issued under the terms and conditions of that certain Program Related Investment (PRI) Agreement for the Authority’s Redevelopment Loan Program between the Authority and Blandin dated January 2, 2020, as amended by the First and Second Addenda thereto (the “**PRI Agreement**”). The holder thereof is entitled to all of the benefits and subject to all of the obligations provided for in said PRI Agreement, or referred to in said PRI Agreement, to which reference is made for a statement of the terms and conditions under which this indebtedness was incurred and the events of default under which the due date of this Note may be accelerated. The provisions of the PRI Agreement are incorporated by reference herein with the same force and effect as if fully set forth herein.

This Note matures five (5) years from the date of this Note (the “**Maturity Date**”). Repayment of this Note will consist of a single balloon payment of the unpaid principal, plus any interest accrued and unpaid, on the Maturity Date of this Note. Principal of and accrued interest on this Note may be fully or partially prepaid at any time without premium or penalty.

During the term of this Note, simple interest at a rate of four and one half percent (4.50%) shall accrue on the unpaid principal from the date of disbursement by Blandin to the Authority until this Note is paid in full. Payments of interest on amounts disbursed under this Note shall commence on January 15, 2025 and continue on each January 15 thereafter until the Maturity Date.

Maker waives presentment, dishonor, protest, demand, diligence, notice of protest, notice of demand, notice of dishonor, notice of nonpayment, and any other notice of any kind otherwise required by law in connection with the delivery, acceptance, performance, default, enforcement, or collection of this Note and expressly agrees that this Note, or any payment hereunder, may be extended or subordinated (by forbearance or otherwise) at any time, without in any way affecting the liability of the Authority.

This Note may not be amended or modified, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing signed by the party against whom the enforcement of any amendment, modification, or waiver is sought.

This Note shall be governed by and construed according to the laws of the State of Minnesota without regard to conflict of laws principles.

This Note is issued by the Authority pursuant to and in accordance with Minnesota Statutes, Section 469.103 for the purpose of providing funds to make loans to the Developers for economic development and redevelopment activities within the City of Grand Rapids, and specifically pursuant to its Redevelopment Loan Program (the "Program"). The proceeds of this Note shall reimburse the Authority for Authority funds loaned to developers (the "Developers") pursuant to the Program. Under the terms of the Program, each Developer has agreed to repay the Developer Loans, together with interest thereon, in installments scheduled to be sufficient to pay the principal of and interest on this Note when due. This Note is payable solely from and to the extent of repayment of the Developer Loans pursuant to the Program. This Note is further secured by mortgages given by each Developer to the Authority pursuant to the Program.

This Note is a special limited obligation of the Authority. This Note shall not be payable from nor charged upon any funds other than the repayment of the Developer Loans, nor shall the Authority be subject to any liability hereon or have the powers to obligate itself to pay this Note from funds other than the Developer Loan repayments and no holder of this Note shall ever have the right to compel any exercise of any taxing power of the Authority or the City of Grand Rapids or any other public body, to pay the principal of or interest on this Note, nor to enforce payment thereof against any property of the Authority or other public body other than that expressly pledged for payment of the Note.

All of the agreements, conditions, covenants, provisions, and stipulations contained in the PRI Agreement or any instrument securing this Note are hereby made a part of this Note to the same extent and with the same force and effect as if they were fully set forth herein. It is agreed that time is of the essence of this Note.

IN WITNESS WHEREOF, the Authority has executed this Note as of the date first above written.

GRAND RAPIDS ECONOMIC  
DEVELOPMENT AUTHORITY

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

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



May 24, 2024

Daniel Lemm, Chief Financial Officer  
 Kyle Erickson, Director of Grants  
 Blandin Foundation  
 100 N. Pokegama Avenue  
 Grand Rapids, MN 55744

Dear Daniel and Kyle,

**RE: Request for Draw**

Thank you for the opportunity to visit yesterday and describe two pivotal projects that will significantly advance the objectives within our updated *Downtown Plan*. As we discussed, the projects involve the redevelopment of the vacant former IEDC office, converting it into a restaurant and the redevelopment of the former Pluemers building to convert it to a specialty retail use.

Both projects are utilizing a variety of funding sources (grants, TIF, gap financing, and traditional financing) to overcome the challenging market conditions we currently face. However, to realize a project proforma that is economically viable, a need remains for supplementary lower interest financing.

On behalf of GREDA, I am requesting the use of the Redevelopment Loan PRI and the Commercial Building Improvement Loan (CBIL) PRI in the following amounts and with the referenced terms.

Renovation Project	IEDC Bldg.	Pluemers Bldg.	Terms
CBIL PRI	\$200,000	\$200,000	2%, 20-yr amort, 5-year balloon.
Redevelopment PRI	\$105,000	\$105,000	4.5%, 20-yr amort, 5-year balloon.

GREDA believes that these projects will be a significant catalyst for additional economic growth in the Downtown and the greater community. This use of the two PRI funds is very consistent with the intent of those investments to:

- Assist growth in new development and re-development in the key redevelopment opportunity sites identified in the Downtown Plan.

- Improve business and employment climate in the Downtown.
- Increase property values and tax base and eliminate blighted conditions.
- Creation of an environment that is inviting to residents and tourists.
- Better utilization of existing private and public infrastructure, which, in turn, reduces the need for extension of new public infrastructure brought on by development sprawl in the fringe areas of the City.

We are very encouraged by the heightened sense of value shown by the community and increased private investment interest in the Downtown and hope to continue to work together with the Blandin Foundation in achieving the goals of the *Downtown Plan* and serve as a model for other rural communities.

Thank you for your consideration of this request.

Sincerely,



Rob Mattei  
Executive Director





## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** August 8, 2024

**STATEMENT OF ISSUE:** Review and consider budget recommendations for 2025 GREDA Operating Budget and levy for Capital Projects Fund.

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

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### **BACKGROUND:**

The Finance Department is requesting GREDA's recommended Operating Budget for 2025. I have attached a marked up operating budget worksheet for your review. The worksheet shows the actual line-item expenditures in 2020-2023, as well as the 2024 adopted budget and a 2025 proposed budget, under which I have entered my suggestions.

The balance of our Operating Budget is expected to be somewhere between nine and ten thousand by the end of this year. Within my suggested budget I have dedicated \$30,000 of the 2025 levy be transferred to recapitalize the Operating Budget for the next couple of years.

As provided for under §469.107, GREDA has over the last several years requested the City levy for additional monies to begin to sustain a balance in the GREDA Capital Projects Fund. For many years, GREDA requested and received a levy of \$60,000. Two years ago, that amount was increased to a levy of \$80,000, and last year it was increased to \$100,000. Given GREDA's level of activity and recent project-related expenditures, I would recommend a request for \$125,000 to begin to restore the Capital Projects Fund balance.

### **RECOMMENDATION:**

Review the proposed 2025 Operating Budget, consider any amendments and pass on a recommended budget to the City Council.

**REQUIRED ACTION:** Pass a motion adopting a recommended 2025 Operating Budget, and a levy request of \$125,000 and direction to the Finance Department to transfer \$30,000 of those funds to the Operating Budget and the remaining amount to the Capital Projects Fund

# CITY OF GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

*Actual 2021-2023 Expenditures, 2024 Budget And Proposed 2025 Budget*

	2021 ACTUAL	2022 ACTUAL	2023 ACTUAL	2024 BUDGET	PROPOSED 2025 BUDGET
<b>Fund Balance 1/1/XX:</b>	2,880	18,096	4,296	25,287	9,237
<b>REVENUES:</b>					
Taxes					
Current	30,000	-	35,000		30,000
Fiscal Disparities	-	-			
<b>Total Taxes</b>	<b>30,000</b>	<b>-</b>	<b>35,000</b>	<b>-</b>	<b>30,000</b>
Intergovernmental					
Supplemental Aid	-	-			
<b>Total Intergovernmental</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Miscellaneous Revenue					
Miscellaneous Revenue	-	-			
Interest - Investments	95	103	128	100	100
<b>Total Miscellaneous</b>	<b>95</b>	<b>103</b>	<b>128</b>	<b>100</b>	<b>100</b>
Other Sources					
Fund Balance Usage	-	-			
<b>TOTAL REVENUES</b>	<b>30,095</b>	<b>103</b>	<b>35,128</b>	<b>100</b>	<b>30,100</b>
<b>EXPENDITURES:</b>					
Supplies/Materials	12	148	7	150	150
Professional Services	230	95	355	300	300
Accounting/Auditing Services	3,690	3,042	3,006	3,800	4,000
Legal	421	22	-	1,000	1,000
Consulting	10,000	10,000	10,000	10,000	10,000
Seminars/Meetings	-	25	89	250	250
Publishing/Advertising	-	-	300	-	
General Insurance	18	24	86	100	100
Other Charges & Services	508	547	295	550	550
<b>TOTAL EXPENDITURES</b>	<b>14,878</b>	<b>13,903</b>	<b>14,138</b>	<b>16,150</b>	<b>16,350</b>
<b>REVENUES &gt; EXPENDITURES</b>	<b>15,216</b>	<b>(13,800)</b>	<b>20,991</b>	<b>(16,050)</b>	<b>13,750</b>

**FUND BALANCE 12/31/XX**

<u>\$ 18,096</u>	<u>\$ 4,296</u>	<u>\$ 25,287</u>	<u>\$ 9,237</u>	<u>\$ 22,987</u>
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Item 6.



# REQUEST FOR GRAND RAPIDS EDA ACTION

**AGENDA DATE:** August 8, 2024

**STATEMENT OF ISSUE:** GREDA Website Proposal

**PREPARED BY:** Dan Swenson

**BACKGROUND:**

Over the past several months, staff have been working to update areas of the GREDA website, over this time we have reached out to two website developers. It’s come to our attention that our current site has several deficiencies including:

- The site is not search engine optimized
- The font is too text heavy and 30 percent of the page is blank
- It is not a responsive design and doesn’t adjust to mobile screen sizes
- It is slow to load pages such as the available properties and the rotating banner
- There is no social media integration
- It is an outdated platform which is difficult to update and integrate any third party tools

We asked both website developers to offer us a proposal for a base website and hosting package. Both companies did and BigGroovy Design met our demand needs at a more cost-effective value.

	<i>BigGroovy Designs</i>	<i>Golden Shovel</i>
<i>Website Development</i>	\$ 4,200.00	\$ 18,500.00
<i>Hosting, Maintenance/Year</i>	\$ 540.00	\$ 6,500.00
<i>SEO Services</i>	\$ 799.00	INCL.
<b><i>Total First Year</i></b>	<b><u>\$ 5,539.00</u></b>	<b><u>\$ 25,000.00</u></b>

**RECOMMENDATION:**

Allow GREDA staff to work with BigGroovy Design to create a new custom GREDA website that will provide an up-to-date platform, web hosting capabilities along with search engine optimization capabilities.

**REQUIRED ACTION:**

Make a motion to accept the proposal to allow GREDA staff to work with BigGroovy Design to create a custom website, host, monitor and help manage the website.



# ESTIMATE Item 7.

**Big Groovy Designs**  
2207 Northeast 27th Avenue  
Grand Rapids, Minnesota 55744  
United States

Phone: 2183987282  
Mobile: 2183987282  
www.biggroovy.com

**BILL TO**  
**GREDA**  
Dan Swenson

218-326-7622  
dswenson@grandrapidsmn.gov

**Estimate Number:** 15167

**Estimate Date:** April 3, 2024

**Valid Until:** May 3, 2024

**Estimate Total (USD):** **\$5,539.00**

Items	Quantity	Price	Amount
<b>Custom Website Development</b> Custom GREDA website per our discussion with new property listing capability.	1	\$4,200.00	\$4,200.00
<b>Hosting</b> Website hosting/Management/Updating - yearly, This can be paid monthly as well and includes all hosting costs as well as site updates as needed. If a more robust management/content creation plan is needed, one can be provided custom to your needs. This covers everything we discussed.	1	\$540.00	\$540.00
<b>SEO Services</b> SEO Services - Yearly This is not required, but will cover an entire year of weekly SEO monitoring and management of the new site.	1	\$799.00	\$799.00

**Subtotal:** \$5,539.00

**Total:** \$5,539.00

**Estimate Total (USD):** **\$5,539.00**

### Notes / Terms

Upon acceptance all projects require 60% down payment. Remainder due when site is approved and live.



## City of Grand Rapids Economic Development Website & Services Proposal

### ***a) Website Development***

The City of Grand Rapids has a goal of creating a new economic development website and communications strategy to promote the strengths and competitive advantages of the City of Grand Rapids's area. The strategy will develop the City of Grand Rapids' economic development website and messaging to help grow awareness through engaging with the City of Grand Rapids' target audiences. Golden Shovel's team of designers will develop a cohesive organizational website, with accurate, up-to-date information on topics including the organization's events, projects, news, available sites, initiatives, and infographics

Golden Shovel will build a customized, user-friendly economic development web portal. We understand the critical role websites play for an organization like the City of Grand Rapids. Sending the right impression is critical, and that requires a thorough understanding of the region and the target audiences. We will take the information we gain from research of the area, desired target audiences, and build a stand-alone website that will highlight the strengths of the City of Grand Rapids to make a great first impression. The services include website setup, custom design, CMS, SEO, Google Analytics, infographics, statistics, content population, and training, as well as over 20 customizable modules. These insights and experiences enable us to build a dynamic website that effectively supports your organization's digital needs and makes you stand out amongst your competitors.

## a.1 Gateway Modules

The City of Grand Rapids will be able to select the modules that best fit its current needs and have them implemented. All other modules will remain available for implementation at a later time, at no additional cost.

Recommended modules include:

<p><b>Homepage Showcase</b></p> <p>This module will add emphasis to unique programs of interest and link to key features of your site with rotating banner images and text.</p>	<table border="1"> <thead> <tr> <th data-bbox="915 401 1256 474">FEATURES</th> <th data-bbox="1256 401 1398 474"></th> </tr> </thead> </table>	FEATURES	
FEATURES			
<p><b>News</b></p> <p>A key communication tool for keeping visitors apprised of the latest events, press releases, relevant news and to keep fresh content about the region, its growth and job opportunities.</p>	<table border="1"> <tbody> <tr> <td data-bbox="915 474 1256 541">Editable by Client</td> <td data-bbox="1256 474 1398 541">YES</td> </tr> </tbody> </table>	Editable by Client	YES
Editable by Client	YES		
<p><b>Incentives Directory</b></p> <p>This directory can be used to display information on business opportunities, incentives, training opportunities and workforce available in your region and/or from your organization.</p>	<table border="1"> <tbody> <tr> <td data-bbox="915 541 1256 609">Mobile-Friendly Responsive Design</td> <td data-bbox="1256 541 1398 609">YES</td> </tr> </tbody> </table>	Mobile-Friendly Responsive Design	YES
Mobile-Friendly Responsive Design	YES		
<p><b>Business Directory</b></p> <p>Google Maps based searchable directory that helps you to promote businesses of interest to your target audiences and industries.</p>	<table border="1"> <tbody> <tr> <td data-bbox="915 609 1256 676">Population and Setup (30 hrs)</td> <td data-bbox="1256 609 1398 676">YES</td> </tr> </tbody> </table>	Population and Setup (30 hrs)	YES
Population and Setup (30 hrs)	YES		
<p><b>Projects Directory</b></p> <p>This module is flexible in design to serve a variety of purposes: Show the impact your organization has on the region by highlighting the economic development projects your business is involved with; Present success stories located across a map; Focus it on identifying specific industry cluster assets. We can help position this powerful tool to best address your goals.</p>	<table border="1"> <tbody> <tr> <td data-bbox="915 676 1256 743">User-Friendly Interface</td> <td data-bbox="1256 676 1398 743">YES</td> </tr> </tbody> </table>	User-Friendly Interface	YES
User-Friendly Interface	YES		
<p><b>Community Profiles</b></p> <p>This section will provide important community data to site selectors, businesses and communities using a dynamic feed generated through ESRI, the industry-leading data provider. This will be a key module to showcase business climate and quality of life in the region. Additional community and regional profiles can be added upon request.</p>	<table border="1"> <tbody> <tr> <td data-bbox="915 743 1256 810">Search Engine Optimization</td> <td data-bbox="1256 743 1398 810">YES</td> </tr> </tbody> </table>	Search Engine Optimization	YES
Search Engine Optimization	YES		
<p><b>Translation Tool</b></p> <p>We integrate Google's translation tool into the design so viewers can read the Website in Spanish, Japanese, Chinese, Korean, German, Italian and many other languages.</p>	<table border="1"> <tbody> <tr> <td data-bbox="915 810 1256 877">Training Support included</td> <td data-bbox="1256 810 1398 877">YES</td> </tr> </tbody> </table>	Training Support included	YES
Training Support included	YES		
	<table border="1"> <tbody> <tr> <td data-bbox="915 877 1256 945">Quarterly Updates &amp; Maintenance</td> <td data-bbox="1256 877 1398 945">YES</td> </tr> </tbody> </table>	Quarterly Updates & Maintenance	YES
Quarterly Updates & Maintenance	YES		
	<table border="1"> <tbody> <tr> <td data-bbox="915 945 1256 1012">Google Analytics</td> <td data-bbox="1256 945 1398 1012">YES</td> </tr> </tbody> </table>	Google Analytics	YES
Google Analytics	YES		
	<table border="1"> <tbody> <tr> <td data-bbox="915 1012 1256 1079">Cross-Platform Compatibility</td> <td data-bbox="1256 1012 1398 1079">YES</td> </tr> </tbody> </table>	Cross-Platform Compatibility	YES
Cross-Platform Compatibility	YES		
	<table border="1"> <tbody> <tr> <td data-bbox="915 1079 1256 1146">Section 508 &amp; W3C Compliant</td> <td data-bbox="1256 1079 1398 1146">YES</td> </tr> </tbody> </table>	Section 508 & W3C Compliant	YES
Section 508 & W3C Compliant	YES		
	<table border="1"> <tbody> <tr> <td data-bbox="915 1146 1256 1213">Translation Tool</td> <td data-bbox="1256 1146 1398 1213">YES</td> </tr> </tbody> </table>	Translation Tool	YES
Translation Tool	YES		
	<table border="1"> <tbody> <tr> <td data-bbox="915 1213 1256 1281">Google Keyword Search</td> <td data-bbox="1256 1213 1398 1281">YES</td> </tr> </tbody> </table>	Google Keyword Search	YES
Google Keyword Search	YES		



### Universal Reports

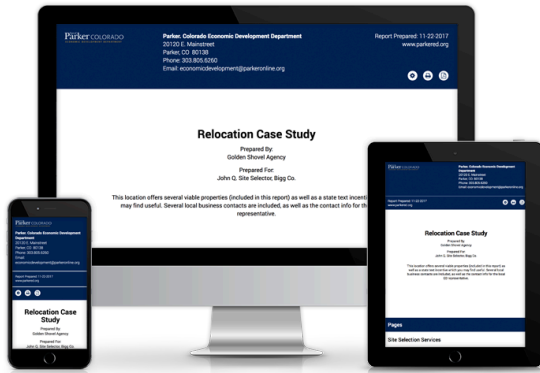
The fast and easy way for you and your users to create customized reports using content from your Website. In three easy steps, you can compile location data and create custom info packets. Just use the 'add to report' link found on all eligible pages to populate the content you need for your report. Once you're ready, view your report and you can review and sort your content as well as adding a custom cover page content.

#### Recommended Uses:

- Compile location data for site selectors
- Generate reports for board members and stakeholders
- Enable site visitors to customize information packets

#### Features:

- 3-Step Reports: Add content, configure your report, and export
- Reports can be printed or exported as PDFs
- Return and edit your existing report for up to one week
- Customizable cover content
  - Real Estate
  - Community Profiles
  - Community Snapshots
  - Incentives Directory
  - Business Directory
  - Projects Directory
  - News
  - Events Calendar
  - Staff Directory
  - People/Membership Directory



Example of Universal Report

### Resource Library

Allows for a variety of documents and media files to be organized and viewed online, creating a “media center” with a wide selection of resources such as file downloads, PDF maps, video and audio clips, photos and links while allowing your site visitors to view them online.

### Events Calendar

A tool to promote and highlight events that are relevant to your organization (like job fairs). Events can be filtered by week or month.

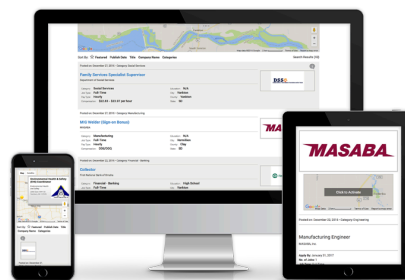
Example of GreaterYanktonLiving.org Events Calendar





### Jobs Directory

Google Map integrated searchable directory that allows your organization to provide prospective workforce with job postings and employers information. Businesses can upload their available job postings with relevant criteria and contact information. Jobs are posted through a public submission form and approved through a queue system managed by the site administrator. Job postings are designed to be easily shareable through social media channels. The administrator can choose to 'feature' available jobs for more prominent placement in the directory.



*Example of the GreaterYanktonLiving.org jobs directory on different displays.*

### Resource Library

Allows for a variety of documents and media files to be organized and viewed online, creating a "media center" with a wide selection of resources such as file downloads, PDF maps, video and audio clips, photos and links while allowing your site visitors to view them online.

### Staff Directory

Allows you to highlight your staff and organization members bringing a human face to the organization while also providing your site visitors with contact info.

### Contact Forms

Our Contact Form module will provide you with the ability to create recipients for your contact form so visitors can easily reach out to staff members.

### Secure/Private Section (Intranet)

A link for internal staff or board members to log in and view more sensitive information provided by the organization. User levels can be assigned to restrict access to single modules to simplify website administration.

**Fast Facts** An additional graphical area that combines images and text that rotate randomly on the Website to add visual interest to pages and highlight historical facts, testimonials, key events, quotes, trends or any other relevant information.

### Custom Form Creator

Collect Information and Invite Audience Input: Custom forms allow you to get input from your users on the topics that matter to you. With scope to create forms as simple as inviting users to send a basic contact message, or as involved as a survey requesting user input on multiple subjects with a wide array of input options. The Custom Form Creator module is a robust solution to many communication needs.

Recommended Uses:

- Invite user communication on targeted marketing pages
- Create a custom contact form requesting additional important information
- Survey users to collect data on important topics
- Create online RSVP forms for special events



### ***b) Website Copywriting/SEO (optional upgrade)***

Golden Shovel's content team works directly with clients to craft messages that are on-point and relevant to target audiences. This messaging will be incorporated throughout the Website content to ensure consistency and to promote brand development. In addition, Golden Shovel will create quality content within your Website for the best SEO (Search Engine Optimization) results. We ensure the content aligns with your organization's identity, goals and initiatives to produce the most effective results. Content will be populated to your site prior to the live launch.

### ***c) Website Hosting, Maintenance, & Technical Support***

Golden Shovel will host and maintain your Website online. The Economic Gateway platform includes ongoing updates and expansions as Golden Shovel develops them, at no additional cost to the client. Our maintenance and hosting model will provide your staff with all the necessary support and assistance for content changes, technical glitches and support requests related to the Website's performance. Our customer support specialists will make sure that your Website is accurate and that we are responding to your requests in a timely manner so that your site never gets behind.

### ***d) GateKeeper Service***

Our staff works as an extension of your organization's content and marketing division to create key messaging, content, articles, a content strategy document and post new content to the Website and social media accounts every week. The writers will develop up-to-date posts and articles that resonate with business owners and individuals in the defined target audiences. We will meet with the appropriate personnel quarterly to train, coordinate content, and maximize outreach.



## 2. SCHEDULE ESTIMATE

Below is an estimated schedule based on the proposed work.

Month:	1	2	3	Monthly
Website Development	X	X	X	
Ongoing Hosting, Maintenance & Gatekeeper				X
Website Copywriting/SEO		X	X	

## 3. WORK INVESTMENT

<ul style="list-style-type: none"> <li>Website Development</li> </ul>	\$18,500 (one-time fee)
<ul style="list-style-type: none"> <li>Website Hosting, Maintenance &amp; Modified Gatekeeper</li> </ul>	\$6,500/yr
<ul style="list-style-type: none"> <li>Website Copywriting/SEO (Optional Upgrade)</li> </ul>	\$5,200 (one-time fee)

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