



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

**Thursday, August 10, 2023
4:00 PM**

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, August 10, 2023 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

SETTING OF THE REGULAR AGENDA - *This is an opportunity to approve the regular agenda as presented, or to add/delete an agenda item by a majority vote of the Commissioners present .*

APPROVE MINUTES

1. Consider approval of the minutes from the July 27, 2023 regular meeting.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$17,756.24

BUSINESS

3. Consider adopting a resolution approving a Preliminary Development Agreement with Oppidan, Inc.
4. Consider adopting a resolution approving the purchase of property in the City of Grand Rapids from the Moyer Family Trust.
5. Consider adopting a resolution approving the purchase of property in the City of Grand Rapids from Elise J. Karpan and approving payment of the earnest money.
6. Consider adopting a resolution approving the purchase of property in the City of Grand Rapids from Mimar Development LLC and approving payment of the earnest money.
7. Consider authorizing a grant request to the Blandin Foundation for Downtown Organization planning and establishment.
8. Review and consider recommendations for draft 2024 GREDA Operations Budget and levy for Capital Projects Fund

UPDATES

ADJOURN

MEMBERS & TERMS

Tom Sutherland - 12/31/2023 Council Representative

Tasha Connelly - 12/31/2023 Council Representative

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

**Thursday, July 27, 2023
4:00 PM**

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, July 27, 2023 immediately following the closed meeting.

CALL TO ORDER

The meeting was called to order at 4:37 p.m.

CALL OF ROLL

PRESENT

Commissioner Al Hodnik
President Sholom Blake
Commissioner Tasha Connelly
Commissioner Tom Sutherland

ABSENT

Commissioner Mike Korte
Commissioner Wayne Bruns

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 .*

The agenda was approved without addition.

APPROVE MINUTES

1. Consider approval of minutes from the June 9th, 2023 Special Meeting.

Motion by Commissioner Connelly, second by Commissioner Hodnik to approve the minutes from the June 9th special meeting. The following voted in favor thereof: Hodnik, Connelly, Blake, Sutherland. Opposed: None, passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$106,430.68.

Motion by Commissioner Hodnik, second by Commissioner Connelly to approve claims in the amount of \$106,430.68. The following voted in favor thereof: Hodnik, Connelly, Blake, Sutherland. Opposed: None, passed unanimously.

PUBLIC HEARING

3. Conduct a public hearing to consider approval of a Purchase and Development Agreement with and conveyance of property to Housing and Redevelopment Authority of Itasca County

President Blake stated the public hearing this evening is to consider approval of a Purchase and Development Agreement and conveyance of property to Housing and Redevelopment Authority of Itasca County. Recorder Groom noted all legal notices required by law had been met and no correspondence had been received.

Motion by Commissioner Hodnik, second by Commissioner Sutherland to open the public hearing. The following voted in favor thereof: Sutherland, Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

There was no one from the public present.

Motion by Commissioner Connelly, second by Commissioner Hodnik to close the public hearing. The following voted in favor thereof: Hodnik, Connelly, Blake, Sutherland. Opposed: None, passed unanimously.

Motion by Commissioner Connelly, second by Commissioner Hodnik to adopt a resolution approving a purchase and development agreement and conveyance of property to Housing and Redevelopment Authority of Itasca County. The following voted in favor thereof: Sutherland, Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

BUSINESS

4. Consider approval of a resolution and letter in support of an application by the Itasca County HRA to the Minnesota Housing Finance Administration for the development of eight additional affordable, owner-occupied, single-family homes in Forest Lake Addition.

Motion by Commissioner Hodnik, second by Commissioner Sutherland to adopt a resolution and letter of support of an application by the Itasca County HRA to the Minnesota Housing Finance Administration for the development of eight additional affordable, owner-occupied, single family homes in Forest Lake Addition. the following voted in favor thereof: Hodnik, Connelly, Blake, Sutherland. Opposed: None, passed unanimously.

5. Consider acceptance of a Letter of Intent to purchase Lot 3, Block 3 of Great River Acres submitted by Barbara Rydberg

Ms. Rydberg has submitted a letter of intent to purchase lot 3, block 3 in Great River Acres for \$23,500.

Motion by Commissioner Sutherland, second by Commissioner Hodnik to accept a letter of intent from Barbara Rydberg for the purchase of lot 3, block 3 Great River Acres in the amount of \$23,500. The following voted in favor thereof: Sutherland, Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

6. Consider approval of engagements letters for professional appraisal and review appraisal services with Nagell Appraisal & Consulting and Day Group LLC.

Motion by Commissioner Connelly, second by Commissioner Sutherland to approve letters of engagement with Nagell Appraisal & Consulting and Day Group LLC. The following voted in favor thereof: Hodnik, Connelly, Blake, Sutherland. Opposed: None, passed unanimously.

7. Consider a proposal for wetland mitigation plan services

Motion by Commissioner Hodnik, second by Commissioner Connelly to approve a proposal for a wetland mitigation plan not to exceed \$9000.00. The following voted in favor thereof: Sutherland, Blake, Connelly, Hodnik. Opposed: None, passed unanimously.

UPDATES

ADJOURN

MEMBERS & TERMS

Tom Sutherland - 12/31/2023 Council Representative

Tasha Connelly - 12/31/2023 Council Representative

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27

DATE: 08/04/2023
 TIME: 12:20:33
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 08/10/2023

VENDOR #	NAME	AMOUNT DUE

ECONOMIC DEVELOPMENT AUTHORITY		
0718000	GRAND RAPIDS ARTS	150.00
TOTAL		150.00
EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
0218115	BRAUN INTERTEC CORPORATION	2,700.00
0508450	EHLERS AND ASSOCIATES INC	1,050.00
1105530	KENNEDY & GRAVEN, CHARTERED	575.00
1900225	SEH	3,290.06
2305451	WELLSON GROUP INC	5,850.00
TOTAL MISCELLANEOUS PROJECT		13,465.06
AIRPORT SOUTH INDUSTRIAL PARKS		
1415511	NORTHERN STAR COOPERATIVE SERV	416.65
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		416.65
DWTOWN PLAN PJT-BLANDIN GRNT		
1105530	KENNEDY & GRAVEN, CHARTERED	1,390.00
TOTAL DWTOWN PLAN PJT-BLANDIN GRNT		1,390.00
GREAT RIVER ACRES DEV		
0508450	EHLERS AND ASSOCIATES INC	1,347.50
TOTAL GREAT RIVER ACRES DEV		1,347.50
FOREST LK SCH REDEVELOPMENT		
0718060	GRAND RAPIDS HERALD REVIEW	81.78
1105530	KENNEDY & GRAVEN, CHARTERED	46.00
1900225	SEH	750.00
TOTAL FOREST LK SCH REDEVELOPMENT		877.78
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$17,646.99
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
2209665	VISA	109.25
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$109.25
TOTAL ALL DEPARTMENTS		\$17,756.24



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 10, 2023

STATEMENT OF ISSUE: Consider adopting a resolution approving a Preliminary Development Agreement with Oppidan, Inc.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

On September 8, 2022, GREDA entered into a Preliminary Development Agreement (PDA) with Oppidan, Inc. upon receiving a Letter of Intent from Oppidan stating their interest in developing a project consisting of a 145-unit multi-family apartment on Lot 1, Block 1 of Great River Acres, which is owned by GREDA.

Over the past year, staff have worked Oppidan, looking at zoning requirements, their development of a pro-forma and possible sources of funding assistance. As we've discussed with the GREDA Board in the past, at this time, the combination of the increased cost of construction, static rental rates and higher interest rates has made the task of rendering this project as an attractive investment a challenge.

Oppidan intends to apply to the MHFA Workforce Housing Program later this year for funding above and beyond what the City has the capacity to consider. The award of funds from this program will not likely occur until the spring of 2024. If design work were to be on hold until then, the project would not likely begin until spring of 2025.

Staff has been facilitating discussions between Oppidan and IRRR about some initial funding through their Development Partnership grant program to assist an earlier start to design. The potential of this and the promise of some recent discussions with possible new industries in the area about partnerships have caused Oppidan to consider accelerating their approach to the project.

The original PDA expired in May. The attached letter from Oppidan requests a new PDA, which has the same terms as the original accept the project is now 132-units based upon a zoning review.

REQUIRED ACTION: Pass a motion adopting a resolution approving a Preliminary Development Agreement with Oppidan, Inc

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**APPROVING PRELIMINARY DEVELOPMENT AGREEMENT
BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
AND OPPIDAN, INCORPORATED**

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

1. Background.

1.01. The Authority owns certain property (the “Property”) in the City of Grand Rapids, Minnesota (the “City”).

1.02. The Authority and Oppidan, Incorporated, a Minnesota corporation, or an entity related thereto or affiliated therewith (the “Developer”) have determined to enter into a preliminary development agreement (the “PDA”), providing for the negotiation of a definitive purchase and development agreement that will address (among other things) the sale of the Property by the Authority to the Developer and the construction by the Developer of a multifamily housing development on the Property.

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

2. Approval of PDA.

2.01. The Authority approves the PDA, and authorizes and directs the President and Executive Director to execute the PDA in substantially the form on file, subject to modifications that do not alter the substance of the transaction and are approved by the President and Executive Director, provided that execution of the PDA by such officials will be conclusive evidence of their approval.

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

Approved this 10th day of August, 2023, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary

PRELIMINARY DEVELOPMENT AGREEMENT

THIS AGREEMENT, made and entered into this ___ day of August, 2023, between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (“Authority”) and OPPIDAN, INCORPORATED, a Minnesota corporation (“Developer”):

RECITALS

WHEREAS, the Authority owns certain property within the City of Grand Rapids, Minnesota (the “City”), described in Exhibit A attached hereto (the “Property”); and

WHEREAS, the Developer has submitted a letter of intent for the purchase of the Property attached as Exhibit B (the “Proposal”) to acquire the Property and construct an approximately 132-unit multifamily rental housing development contemplated to include a mix of 1, 2, and 3 bedroom units, an exercise room, a community room, and surface parking thereon (the “Development”); and

WHEREAS, the Authority has determined that it is in its best interest that the Developer be designated sole developer of the Property during the term of this Agreement; and

WHEREAS, the Authority and the Developer are willing and desirous to undertake the Development if (i) a satisfactory agreement can be reached regarding the Authority’s commitment for any public assistance that may be necessary for the Development; (ii) satisfactory mortgage and equity financing, or adequate cash resources for the Development can be secured by the Developer; (iii) the economic feasibility and soundness of the Development can be demonstrated; and (iv) satisfactory resolution of zoning, land use, site design, and engineering issues, and other necessary preconditions have been determined to the satisfaction of the parties; and

WHEREAS, the Authority is willing to evaluate the Development and work toward all necessary agreements with the Developer.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

Section 1. Intention of Parties. It is the intention of the parties that this Agreement: (a) documents the present understanding and commitments of the parties; and (b) will lead to negotiation and execution of a mutually satisfactory Purchase and Development Agreement (the “Contract”) prior to the termination date of this Agreement. The Contract (together with any other agreements entered into between the parties hereto contemporaneously therewith) when executed, will supersede all obligations of the parties hereunder.

Section 2. Outline of Negotiations. Negotiations between the parties shall proceed in an attempt to formulate a definitive Contract based on the following:

- (a) the Developer’s current Proposal together with any changes or modifications

required by the Authority;

- (b) such documentation regarding economic feasibility of the Development as the Authority and the Developer may wish to undertake during the term of this Agreement; and
- (c) other terms and conditions of this Agreement.

The parties agree and understand that negotiations regarding the Contract will proceed as soon as reasonably practicable after the date of this Agreement, as sufficient details for the Development become available.

Section 3. Developer's Obligations. During the term of this Agreement, the Developer shall:

- (a) Submit to the Authority a design proposal to be approved by the Authority showing the location, size, and nature of the proposed Development, including floor layouts, renderings, elevations, and other graphic or written explanations of the Development. The design proposal shall be accompanied by a proposed schedule for the commencement and completion of the Development.
- (b) Submit a cost estimate for the design and construction of the Development.
- (c) Submit a time schedule for all phases of the Development.
- (d) Submit to the Authority the Developer's financing plan showing that the proposed Development is financially feasible, and, to the extent Developer seeks public financial assistance in any form (including reduced land cost, waiver of fees, tax increment financing or abatement financing), evidence that such assistance is reasonably necessary to make the Development financially feasible.
- (e) Furnish satisfactory financial data to the Authority evidencing the Developer's ability to undertake the Development.
- (f) Submit zoning, land use, platting and subdivision applications for the Development, as appropriate.
- (g) Undertake and obtain such other preliminary economic feasibility studies, income and expense projections, and such other economic information as the Developer may desire to further confirm the economic feasibility and soundness of the Development.
- (h) Provide any other information that the Authority may request.

Section 4. Authority's Obligations. During the term of this Agreement, the Authority agrees to:

- (a) Proceed to seek all necessary information with regard to the anticipated public costs associated with the Development.
- (b) Review zoning, planning and subdivision implications of the Development, as appropriate.
- (c) Analyze the Redeveloper's pro forma and estimate the amount and type of public financial assistance, if any, needed to make the Development feasible and authorized under the laws of the State of Minnesota.

Section 5. Contingencies. It is expressly understood that execution and implementation of the Contract shall be subject to:

- (a) A determination by the City and the Authority, in their sole discretion, that any public financial assistance for the Development is feasible based on the projected sources available, and that financial assistance is warranted based on the Developer's pro forma and any other information provided to the City and Authority.
- (b) A determination by the Developer that the Development is feasible and in the best interests of the Developer.
- (c) A determination City Council of the City and the Board of Commissioners of the Authority that the Development is in the best interests of the City and the Authority.

Section 6. Reimbursement of Costs. In the event that the Developer seeks public financial assistance for the Project, the Developer shall be solely responsible for all costs incurred by the Developer. In addition, the Developer shall reimburse the City and the Authority for Administrative Costs, as hereafter defined. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the City and the Authority attributable to or incurred in connection with the negotiation and preparation of this Agreement, the Contract, and other documents and agreements in connection with the Development, including without limitation all costs in connection with any planning approvals necessary for the Property and the cost of financial advisors, attorneys, engineering and planning and environmental consultants. Notwithstanding the foregoing, each party shall pay for its own costs incurred in connection with the negotiation and preparation of this Agreement.

In order to secure payment of the Administrative Costs, the Developer shall deliver to the Authority cash or a certified check in the amount of \$5,000, such delivery to occur upon delivery by the Developer of Developer's Business Assistance Application. If at any one or more times during the term of this Agreement, the Authority determines that Administrative Costs will exceed \$5,000 and that additional security is required, the Authority shall notify the Developer of the amount of such additional security. Within ten (10) calendar days of receipt of this notice, the Developer shall deliver to the Authority the required additional security. The City and the Authority will utilize the funds delivered by the Developer to pay or reimburse themselves for Administrative Costs. Upon termination of this Agreement, the Authority will return to the Developer the funds paid by the Developer to the Authority pursuant to this Section 6, less an amount equal to the Administrative

Costs incurred by the City and the Authority through the date of notice of termination. For the purposes of this paragraph, Administrative Costs are considered to be incurred if they have been paid, relate to services performed, or are payable under a contract entered into, on or before the date of the notice of termination.

This Section 6 shall survive termination of this Agreement and shall be binding on the Developer regardless of the enforceability of any other provision of this Agreement.

Section 7. Designation As Sole Developer of Property. The Authority hereby agrees that for the term of this Agreement it will not:

- (i) provide or enter into any agreement for the provision of financial assistance to any third party in connection with any proposed development within the Property; and
- (ii) negotiate or contract with any other party concerning the sale or development of the Property.

During such period the Developer shall have the exclusive right to work with the Authority in negotiating a definitive Contract for the Property. The Developer may not assign its rights or obligations under this Agreement to any person or entity without prior written approval by the Authority.

Section 8. Term of Agreement. This Agreement is effective for one hundred and eighty (180) days from the date hereof. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

This Agreement may also be terminated upon ten (10) days written notice by the Authority to the Developer if:

- (a) an essential precondition to the execution of a definitive Contract cannot be met; or
- (b) if, in the sole discretion of the Authority, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract;
- (c) or the Developer has failed to provide additional funds to pay for Administrative Costs in accordance with Section 6 hereof.

Section 9. Remedies. In the event that the Developer, its heirs, successors or assigns, fail to comply with any of the provisions of this Agreement, the Authority may proceed to enforce this Agreement by appropriate legal or equitable proceedings, or other similar proceedings, and the Developer, its heirs, successors or assigns, agree to pay all costs of such enforcement, including reasonable attorneys' fees.

Section 10. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the

Agreement.

Section 11. Amendment and Waiver. In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

Section 12. Notice. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

- (a) As to the Developer: Oppidan, Incorporated
400 Water Street, Suite 200
Excelsior, MN 55331
- (b) As to the Authority: Grand Rapids Economic Development Authority
420 N. Pokegama Avenue
Grand Rapids, MN 55744
Attn: Executive Director

Section 14. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

Section 15. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 16. Indemnification. The Developer hereby agrees to protect, defend and hold the Authority, the City and their officers, elected and appointed officials, employees, administrators, commissioners, agents, and representatives harmless from and indemnified against any and all loss, cost, fines, charges, damage and expenses, including, without limitation, reasonable attorneys fees, consultant and expert witness fees, and travel associated therewith, due to claims or demands of any kind whatsoever caused by Developer or arising out of actions of Developer with regard to (i) the development, marketing, sale or leasing of all or any part of the Property, including, without limitation, any claims for any lien imposed by law for services, labor or materials furnished to or for the benefit of the Property, or (ii) any claim by the state of Minnesota or the Minnesota Pollution Control Agency or any other person pertaining to the violation of any permits, orders, decrees or demands made by said persons or with regard to the presence of any pollutant, contaminant or hazardous waste on the Property deposited or released by Developer; and (iii) or by reason of the execution of this Agreement or the performance of this Agreement. The Developer, and the Developer's successors or assigns, agree to protect, defend and save the Authority, the City and their members, officers, agents, and employees, harmless from all such claims, demands, damages, and causes of action and the costs, disbursements, and expenses of defending the same, including

but not limited to, attorneys fees, consulting engineering services, and other technical, administrative or professional assistance incurred by the Authority and the City as a result of the actions of Developer. This indemnity shall be continuing and shall survive the performance, termination or cancellation of this Agreement. Nothing in this Agreement shall be construed as a limitation of or waiver by the Authority or the City of any immunities, defenses, or other limitations on liability to which the Authority is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapter 466.

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and its seal to be duly affixed hereto, and the Developer has caused this Agreement to be duly executed as of the day and year first above written.

OPPIDAN, INCORPORATED

By _____
Its: _____

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Its President

By _____
Its Executive Director

EXHIBIT A

Description of Property

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:
Lot 1, Block 1, Great River Acres, Itasca County, Minnesota

EXHIBIT B

Proposal



400 Water Street - Suite 200 Excelsior, MN 55331 · T: 952.294.0353 · F: 952.294.0151 · www.oppidan.com

Writer's Direct Dial: (612) 810-9481
Writer's Email: ryan@oppidan.com

August 19, 2022

To:
Rob Mattei
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662

Re: Letter of Intent for Purchase of Property
Location: Grand Rapids, Itasca County, Minnesota – PID #91-536-0110 and shown on Exhibit A

Gentlemen:

This letter shall serve as a proposal for the purchase of PID #91-536-0110. This proposal is not a binding commitment on either party, but rather an outline of terms to be incorporated into a mutually acceptable Purchase Agreement. The following is a summary of business terms:

1. <u>Buyer:</u>	Oppidan, Incorporated, or an entity controlled by Oppidan, Incorporated
2. <u>Seller:</u>	Grand Rapids EDA
3. <u>Property:</u>	A 14.5 acre parcel of land that is identified as PID #91-536-0110 (the "Property") in the City of Grand Rapids, Itasca County, Minnesota. The Property is shown on Exhibit A.
4. <u>Intended Use:</u>	Approximately 145 units of market rate housing. Current intent is to build a 4-story apartment complex with a mix of 1-bed, 2-bed, and 3-bed units. The building will have a community room, exercise room, and surface parking.
5. <u>Purchase Price:</u>	\$485,000.00
6. <u>Earnest Money:</u>	N/A
7. <u>Due Diligence:</u>	Buyer shall have 180 days from execution of the Purchase Agreement to inspect and examine the Property and to obtain all necessary governmental approvals required for Buyer's intended use of the Property. Buyer shall have the right to extend the Due Diligence Period with consent of Seller.
8. <u>Seller Deliveries:</u>	Within 5 days of Purchase Agreement execution, Seller shall deliver to Buyer copies of all records pertaining to the Property in Seller's possession. Such records may include surveys, environmental reports, soils reports, contracts, and title evidence.

9.	<u>Taxes/Assessments:</u>	All taxes shall be prorated as of the day of Closing. Any assessments, levied or pending as of the date of Closing, shall be paid by Seller.
10.	<u>Closing Date:</u>	Closing shall take place within 30 days of the completion of the Due Diligence Period.
11.	<u>Brokers:</u>	N/A
12.	<u>Wetland Mitigation:</u>	Seller will obtain wetland mitigation permit prior to Closing if a wetland mitigation permit is deemed necessary for the intended development. Wetland banking credits would be at Buyers expense.

Please indicate Seller's acceptance of the terms of this Letter of Intent by signing and returning a copy of this Letter of Intent to my attention. This Letter of Intent shall serve as the outline of the business terms to be incorporated into a Purchase Agreement. Neither party shall be bound until a mutually acceptable Purchase Agreement has been executed by both parties. Upon receipt of a signed Letter of Intent, Buyer will prepare a Purchase Agreement for Seller's review.

Thank you for your cooperation. I look forward to working with you on this transaction.

Sincerely,

Oppidan, Incorporated



Ryan Grover, Associate Developer

Agreed and accepted by:

Exhibit A – Depiction of Property

Grand Rapids - Site A - GREDA Property





REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 10, 2023

STATEMENT OF ISSUE: Consider adopting a resolution approving the purchase of property in the City of Grand Rapids from the Moyer Family Trust.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA has secured purchase agreements with three private property owners on the east side of the intersection of 7th Ave. E. and 29th Street SE for the purpose of supporting development in this industrial area.

This Purchase Agreement, between GREDA and the Moyer Family Trust, under a Trust Agreement dated May 11, 2012, including David J. Figi, Laura M. Figi, John Langbein and Maja Langbein is for parcel number 91-033-1410.

The purchase price for this 13.1-acre parcel is \$275,000. The amount of required earnest money is \$5,000.

The closing date is within 30 days following the 60-day due diligence period, which begins upon the effective date of the Purchase Agreement. At the end of the 60-day due diligence period, GREDA will have an opportunity to remove or waive any contingencies.

Our buyer contingencies cover the normal review of title, environment, geotechnical as well as our ability to contemporaneously purchase this parcel together with the two neighboring properties. In addition 4(e) which states: Buyer having entered into a development agreement with a third party for the development of the Property with terms that are satisfactory to Buyer, in Buyer's sole discretion.

RECOMMENDATION:

REQUIRED ACTION: Pass a motion adopting a resolution approving the purchase of property in the City of Grand Rapids from the Moyer Family Trust and authorizing payment of the \$5,000.00 of earnest money to the Seller.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING PURCHASE BY THE EDA OF CERTAIN PROPERTY LOCATED IN THE CITY OF GRAND RAPIDS AND CORRESPONDING PURCHASE AGREEMENT

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

Section 1. Recitals.

1.01. The Authority and the Moyer Family Trust under a Trust Agreement dated May 11, 2012, David J. Figi, a single person, Laura M. Figi, a single person, and John C. Langbein and Maja Langbein, married to each other (collectively, the “Sellers”) desire to enter into a purchase agreement (“Agreement”) pursuant to which the Sellers will convey to the Authority certain property (PID No. 91-033-1410) located in the City of Grand Rapids (“City”) and legally described in Exhibit A attached hereto (“Property”).

1.02. The Board has determined that the purchase of the Property as described in this resolution is in the best interest of the City and its residents for the purpose of furthering the Authority’s economic development objectives, and further finds and determines that the purchase of the Property has no relationship to the City’s comprehensive plan, in that no amendment or modification of the comprehensive plan is required for the purchase.

Section 2. Purchase of the Property Approved; Further Proceedings.

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

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

constitute an offer and the Purchase Agreement shall not be effective until the date of execution thereof as provided herein.

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

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

President

ATTEST:

Secretary

EXHIBIT A**Legal Description of the Property**

The Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), West of the Fourth Principal Meridian, LESS the following three (3) tracts: Tract 1: South Twenty (20) acres thereof; Tract 2: North 198 feet of West 440 feet thereof; Tract 3: East 330 feet of the North Half thereof, Itasca County, Minnesota.

PURCHASE AGREEMENT

This Purchase Agreement (this “**Agreement**”) is made this ___ day of _____, 2023 (the “**Effective Date**”) by and between Moyer Family Trust under a Trust Agreement dated May 11, 2012, David J. Figi, a single person, Laura M. Figi, a single person, and John C. Langbein and Maja Langbein, married to each other (collectively referred to herein as the “**Sellers**”) and the Grand Rapids Economic Development Authority, a public body corporate and politic of the State of Minnesota (referred to herein as the “**Buyer**”) (herein referred to as each a “**Party**” or together as the “**Parties**”).

Recitals

WHEREAS, Sellers are the owners of that certain real property located in the City of Grand Rapids, Itasca County, Minnesota (the “**City**”) and as legally described in the attached **Exhibit A** (the “**Property**”); and

WHEREAS, Sellers wish to sell to Buyer, and Buyer desires to purchase from Sellers, the Property; and

WHEREAS, Buyer also wishes to contemporaneously purchase that certain real property neighboring the Property and located in the City and as legally described in the attached **Exhibit B** from unaffiliated third parties (the “**Neighboring Properties**”)

WHEREAS, the Parties wish to memorialize their mutual agreements and covenants in writing in the form of this Agreement.

Terms of Agreement

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, it is mutually agreed and covenanted by and between the Parties to this Agreement as follows:

1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Agreement.

2. Purchase Price and Terms:

- a. **PURCHASE PRICE:** The Purchase Price for the Property is Two Hundred and Seventy-Five Thousand and No/100 Dollars (\$275,000.00)(\$20,992.37 per acre) (the “**Purchase Price**”). The Purchase Price is predicated upon the assumption that the Property consists of 13.1 acres, +/- (as hereinafter defined). “Acres” shall gross acreage less existing dedicated roads and easements and areas classified as waterways. Sellers hereby acknowledge that Buyer’s consideration includes consideration for all relocation services and relocation benefits to which Sellers may be entitled to by law.

b. TERMS:

- (1) EARNEST MONEY. Buyer agrees to pay Five Thousand and No/100 Dollars (\$5,000.00) as Earnest Money payable on or before the Effective Date of this Agreement. The Earnest Money shall be held by the Title Company as defined herein and shall be applied to the Purchase Price at the Closing Date as defined herein. The Earnest Money will be refunded to Buyer if Buyer terminates this Agreement prior to the completion of the Due Diligence Period as defined herein and the satisfaction of all Contingencies. Upon the completion of the Due Diligence Period and the satisfaction of the Contingencies, the Earnest Money will be non-refundable to Buyer and will be paid to Sellers if this Agreement is terminated for any other reason.
- (2) BALANCE DUE SELLER. Buyer agrees to pay by check or wire transfer on the Closing Date any remaining balance due on the Purchase Price according to the terms of this Agreement.
- (3) DEED/MARKETABLE TITLE: Subject to performance by Buyer, Sellers agree to execute and deliver a Warranty Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens, or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:
 - i. Building and zoning laws, ordinances, state, and federal regulations;
 - ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
 - iii. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property.

3. Documents to be Delivered at Closing by Sellers. In addition to the Warranty Deed required by Section 2(b)(3) herein, Sellers shall deliver to Buyer at closing:

- a. An affidavit from Sellers sufficient to remove any exception in Buyer's policy of title insurance for mechanics' and materialmen's liens and rights of parties in possession, if any;
- b. A "bring-down" certificate, certifying that all of the warranties made by Sellers in this Agreement remain true as of the Closing Date;
- c. Affidavit of Sellers confirming that Sellers are not foreign persons within the meaning of Section 1445 of the Internal Revenue Code;
- d. A well certification statement or a statement that Sellers are not aware of any wells

on the Property;

- e. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and
- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Sellers have complied with the terms of this Purchase Agreement.

4. Contingencies. Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Agreement by Buyer's governing body. Nothing in this Agreement shall be interpreted to limit or restrict the discretion of Buyer's governing body to grant or withhold approval of the conveyance. This contingency may not be waived by either Party;
- b. Buyer having confirmed satisfactory condition of title;
- c. Buyer having received satisfactory environmental reports, including, but not limited to, a Phase I report and all necessary closure and no association letters from respective government agencies, if applicable;
- d. Buyer having confirmed that the geotechnical characteristics of the Property are satisfactory, based on soil borings to be taken and analyzed by Buyer's geotechnical consultant;
- e. Buyer having entered into a development agreement with a third party for the development of the Property with terms that are satisfactory to Buyer, in Buyer's sole discretion;
- f. Buyer being satisfied with the results of an analysis performed by a third party as to the long-term economic feasibility and financing of the purchase, if deemed necessary by Buyer;
- g. Buyer having received all governmental and other regulatory agency approvals required for the intended development of the Property (the "**Project**"). Any conditions placed on the approval of the Project, including a conditional use permit, if any, shall be approved by Buyer at Buyer's sole discretion.
- h. Buyer's ability to contemporaneously purchase the Neighboring Properties on or before the Closing Date.

(collectively referred to herein as the "**Contingencies**").

Buyer shall have a period of 60 days from the Effective Date to remove or waive the foregoing Contingencies (the "**Due Diligence Period**").

The Contingencies are solely for the benefit of Buyer and may be waived in writing by Buyer. If Buyer or its attorney gives written notice to Sellers that all contingencies are duly satisfied or waived, the Parties shall proceed to close the transaction as contemplated herein.

If one or more of the Contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Sellers shall return the Earnest Money to Buyer, and the Parties shall execute and deliver to each other documentation effecting the termination of this Agreement. Buyer shall also deliver to Sellers copies of all documentation gathered during the Due Diligence Period, including without limitation all survey, environmental or soil tests. As a contingent purchase agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

5. Sellers' Deliverables. Within seven business days of the Effective Date, Sellers shall provide Buyer with copies of all relevant materials in Sellers' possession relating to the Property, including but not limited to, title reports, soil reports, environmental studies, surveys, environmental reports, agreements with governmental authorities, or other records of the Property that Sellers have in Sellers' possession (collectively "**Sellers' Deliverables**").

6. Title Examination/Curing Title Defects. Upon execution of this Agreement by both parties, Buyer shall, at its sole expense obtain a commitment for title insurance ("**Commitment**") for the Property from a title company to be selected by Buyer (the "**Title Company**"). Buyer shall have 15 business days after receipt of the Commitment or after the execution of this Agreement by both parties, whichever is later to examine the same and to deliver written objections to title, if any, to Sellers, or Buyer's right to do so shall be deemed waived. Sellers shall have until the end of the Due Diligence Period (or such later date as the Parties may agree upon) to make title marketable, at Sellers' sole cost. In the event that title to the Property cannot be made marketable or is not made marketable by Sellers within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

7. Buyer's Survey Obligations. The Parties hereby acknowledge the legal description for the Property as drafted may be deemed insufficient, unmarketable, and uninsurable by the Title Company as defined herein. In the event that the Property needs to be resurveyed and a new legal description created, Buyer shall be responsible for all costs and expenses associated with creating a new and valid legal description that is deemed sufficient, marketable and insurable as determined solely by Buyer.

8. Real Estate Taxes and Special Assessments. Sellers shall pay all real estate taxes, interest, and penalties, if any, relating to the Property for the years prior to the year of closing. Provided that this transaction shall close as provided herein, Buyer agrees to pay all taxes for the years following the year of closing. The Parties shall prorate all taxes for the year of closing based on the Closing Date. Sellers shall pay all special assessments regarding the Property which are levied or pending as of the Closing Date as defined in Section 9 herein, including portions which would otherwise have been payable in future installments.

9. Closing Date. The date of closing shall be within 30 days of the expiration of the Due Diligence Period or earlier, unless mutually extended and expressed in writing signed by both Parties (the “Closing Date”). The closing shall be made at the offices of the Title Company or at such other location as is mutually agreed upon by the Parties. All deliveries and notices to Buyer shall be made as provided in Section 16 of this Agreement.

10. Possession/Condition of Property.

- a. **Possession.** Sellers agree to deliver possession of the Property to Buyer no later than the Closing Date.
- b. **Condition of Property/No Personal Property.** Sellers shall deliver possession of the Property to Buyer on the Closing Date in the same condition as the Property existed on the date of this Agreement. The Parties acknowledge that there is no personal property included in this exchange.

11. Sellers’ Warranties. Sellers hereby represent and warrant to Buyer and Sellers will represent and warrant to Buyer as of the Closing Date that:

- a. No action in condemnation, eminent domain or public taking proceedings are now pending or contemplated against the Property.
- b. No ordinance or hearing is now before any local governmental body which either contemplates or authorizes any public improvements or special tax levies, the cost of which may be assessed against the Property.
- c. Sellers have good and marketable fee simple title interest to the Property.
- d. There are no notices, orders, suits, judgments, or other proceedings relating to fire, building, zoning, air pollution or health violations that have not been corrected with respect to the Property.
- e. The Property will as of the date of closing be free and clear of all mortgages, liens, security interests, encumbrances, leases, or other restrictions except encumbrances permitted by Buyer. There are no third parties in possession of the Property.
- f. All labor or materials which have been furnished to the Property have been fully paid for or will be fully paid for prior to the closing date.
- g. The Property does not contain any underground or above ground storage tanks, except as otherwise disclosed by the Seller in this Agreement.
- h. No wells or sewage treatment systems are on the Property.
- i. No hazardous wastes or materials on or under the Property and no notices have been received by Sellers from any federal, state, local, or other governmental agency (or a compliance letter).

Sellers' representations and warranties set forth in this Section shall be continuing and are deemed to be material to Buyer's execution of this Agreement and Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any Party hereto. Sellers agree to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations, and attorneys' fees incurred should an assertion, injury, claim, demand, or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

12. Costs and Prorations. Sellers shall pay the cost to record any documents to make title marketable. Buyer shall pay: (a) any transfer or deed taxes; (b) the cost of the title commitment (and any title search and examination fees); (c) any title insurance premiums and endorsements; (d) the cost to record the deed; (e) the closing costs charged by the Title Company; (f) any environmental investigation, geotechnical investigation or inspection costs; (g) any survey costs; and (h) the costs associated with Buyer's broker. Each Party shall pay its respective attorneys' fees.

13. Inspections. From the Effective Date to the end of the Due Diligence Period, Sellers hereby expressly grant Buyer, its employees and agents, the right to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, as Buyer shall elect. Buyer shall hold Sellers harmless from any liability caused by such entry. Buyer agrees to indemnify Sellers against any liens, claims, losses, or damage directly attributable by Buyer's exercise of its right to enter and work upon the Property. Buyer agrees to provide Sellers with a copy of any report prepared as a result of such inspection, examination, or testing, upon request by Sellers.

14. Default/Exclusive Remedies. If Buyer defaults under this Agreement, Sellers have the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Sellers may terminate this Agreement and retain the Earnest Money as liquidated damages. The termination of this Agreement (and retention of the Earnest Money) shall be the sole remedies available to Sellers for such default by Buyer, and Buyer will not be further liable for damages. If Sellers default under this Agreement, Buyer shall have the right: (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money); or (ii) to enforce and recover from Sellers specific performance of this Agreement. The termination of this Agreement (and refund of the Earnest Money), or the enforcement and recovery from Sellers of specific performance of this Agreement, shall be the sole remedies available to Buyer for such default by Sellers, and Sellers shall not be further liable for damages.

15. Relocation Benefits; Indemnification. Sellers acknowledge that they are not being displaced from the Property as a result of the transaction contemplated by this Agreement and that they are not eligible for relocation assistance and benefits or in the event that Sellers are deemed eligible

for relocation assistance and benefits, that the Purchase Price includes compensation for any and all relocation assistance and benefits for which Sellers may be eligible. The provisions of this Section shall survive closing of the transaction contemplated by this Agreement.

16. Notice. Any notice, demand, request or other communication which may or shall be given or served by the Parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLERS:

Moyer Family Trust

DocuSigned by:

434003174C534AF

David J. Figi

Laura M. Figi

John C. Langbein and Maja Langbein

BUYER:

Grand Rapids Economic Development Authority
Attention: Rob Mattei
420 North Pokegama Avenue
Grand Rapids, MN 55744

With a copy to:

Kennedy & Graven
Attention: Sarah Sonsalla
Fifth Street Towers
150 South Fifth Street, Suite 700

Minneapolis MN 55402

17. Entire Agreement. This Agreement, including exhibits attached hereto, and any amendments hereto signed by the Parties, shall constitute the entire agreement between the Parties and supersedes any other written or oral agreements between the Parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of both Parties.

18. Survival. Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

19. Electronic Signatures; Execution in Counterparts. The electronic signature of the Parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the Parties hereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

20. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

21. Binding Effect. This Agreement binds and benefits the Parties and their heirs, successors, and assigns.

22. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions herein will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the agreements contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the Parties.

23. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

24. Partnership or Joint Venture. Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between the Parties relative to the Property.

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLERS

MOYER FAMILY TRUST UNDER A
TRUST AGREEMENT DATED MAY 11,
2012

By: _____

Its: _____

By:  _____
David J. Figi

By:  _____
Laura M. Figi

By: _____
John C. Langbein

By: _____
Maja Langbein

BUYER

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Its: President

By: _____
Rob Mattei

Its: Executive Director

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLERS

MOYER FAMILY TRUST UNDER A
TRUST AGREEMENT DATED MAY 11,
2012

By: _____

Its: _____

By: _____
David J. Figi

By: _____
Laura M. Figi

By: 
John C. Langbein

By: 
Maja Langbein

BUYER

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Its: President

By: _____
Rob Mattei

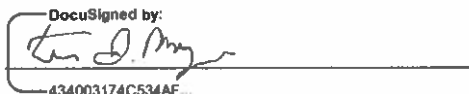
Its: Executive Director

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLERS

**MOYER FAMILY TRUST UNDER A
TRUST AGREEMENT DATED MAY 11,
2012**

By: _____

Its:  _____

By: _____

David J. Figi

By: _____

Laura M. Figi

By: _____

John C. Langbein

By: _____

Maja Langbein

BUYER

**GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Its: President

By: _____

Rob Mattei

Its: Executive Director

EXHIBIT A
Legal Description of the Property

The Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), West of the Fourth Principal Meridian, LESS the following three (3) tracts: Tract 1: South Twenty (20) acres thereof; Tract 2: North 198 feet of West 440 feet thereof; Tract 3: East 330 feet of the North Half thereof, Itasca County, Minnesota

PID: 91-033-1410

Moyer Map



3/10/2023 5:57:28 AM

Tax Parcel

19.028
 0 0.05 0.1 0.2 mi
 0 0.07 0.15 0.3 km

Itasca County
 This information is a compilation of data from different sources with varying degrees of accuracy and should not be used for legal purposes.

EXHIBIT B
Legal Descriptions of the Neighboring Properties

The North 500 feet of the Northeast Quarter of the Southeast Quarter (NE 1/4 SE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), LESS the South 220 feet of the West 300 feet thereof, County of Itasca, State of Minnesota.

PID: 91-033-4120

AND

The South Half of the Northeast Quarter (S 1/4 NE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25) West of the Fourth Principal Meridian LESS the East 330 feet thereof, Itasca County, Minnesota.

PID: 91-033-1430



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 10, 2023

STATEMENT OF ISSUE: Consider adopting a resolution approving the purchase of property in the City of Grand Rapids from Elise J. Karpan and approving payment of the earnest money.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA has secured purchase agreements with three private property owners on the east side of the intersection of 7th Ave. E. and 29th Street SE for the purpose of supporting development in this industrial area.

This Purchase Agreement, between GREDA and Elise J. Karpan is for parcel number 91-033-1430.

The purchase price for this 15.1-acre parcel, which includes a vacant home, is \$410,000. The amount of required earnest money is \$5,000.

The closing date is within 30 days following the 180-day due diligence period, which begins upon the effective date of the Purchase Agreement. At the end of the 60-day due diligence period, GREDA will have an opportunity to remove or waive any contingencies.

The Purchase Agreement grants the seller possession until the closing date or September 30, 2023, whichever occurs later. This is to ensure sufficient time to remove personal belongings from the vacant home.

Our buyer contingencies cover the normal review of title, environment, geotechnical as well as our ability to contemporaneously purchase this parcel together with the two neighboring properties. In addition, 4(e) which states: Buyer having entered into a development agreement with a third party for the development of the Property with terms that are satisfactory to Buyer, in Buyer's sole discretion.

REQUIRED ACTION: Pass a motion adopting a resolution approving the purchase of property in the City of Grand Rapids from Elise J. Karpan and authorizing payment of the \$5,000.00 of earnest money to the Seller.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING PURCHASE BY THE EDA FROM ELISE J. KARPAN OF CERTAIN PROPERTY LOCATED IN THE CITY OF GRAND RAPIDS AND CORRESPONDING PURCHASE AGREEMENT

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

Section 1. Recitals.

1.01. The Authority and Elise J. Karpan (“Seller”) desire to enter into a purchase agreement (“Agreement”) pursuant to which the Seller will convey to the Authority certain property (PID No. 91-033-1430) located in the City of Grand Rapids (“City”) and legally described in Exhibit A attached hereto (“Karpan Property”).

1.02. The Board has determined that the purchase of the Karpan Property as described in this resolution is in the best interest of the City and its residents for the purpose of furthering the Authority’s economic development objectives, and further finds and determines that the purchase of the Karpan Property has no relationship to the City’s comprehensive plan, in that no amendment or modification of the comprehensive plan is required for the purchase.

Section 2. Purchase of Karpan Property Approved; Further Proceedings.

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

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

thereof as provided herein.

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

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

President

ATTEST:

Secretary

EXHIBIT A**Legal Description of Karpan Property**

The South Half of the Northeast Quarter (S ¼ NE ¼), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25) West of the Fourth Principal Meridian LESS the East 330 feet thereof, Itasca County, Minnesota.

PURCHASE AGREEMENT

This Purchase Agreement (this “**Agreement**”) is made this ___ day of _____, 2023 (the “**Effective Date**”) by and between Elise J. Karpan, a single person (the “**Seller**”) and the Grand Rapids Economic Development Authority, a public body corporate and politic of the State of Minnesota (referred to herein as the “**Buyer**”) (herein referred to as each a “**Party**” or together as the “**Parties**”).

Recitals

WHEREAS, Seller is the owner of that certain real property located in the City of Grand Rapids, Itasca County, Minnesota (the “**City**”) and as legally described in the attached **Exhibit A** (the “**Property**”); and

WHEREAS, Seller wishes to sell to Buyer, and Buyer desires to purchase from Seller, the Property; and

WHEREAS, Buyer also wishes to contemporaneously purchase that certain real property neighboring the Property and located in the City and as legally described in the attached **Exhibit B** from unaffiliated third parties (the “**Neighboring Properties**”)

WHEREAS, the Parties wish to memorialize their mutual agreements and covenants in writing in the form of this Agreement.

Terms of Agreement

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, it is mutually agreed and covenanted by and between the Parties to this Agreement as follows:

1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Agreement.

2. Purchase Price and Terms:

- a. **PURCHASE PRICE:** The Purchase Price for the Property is Four Hundred and Ten Thousand and No/100 Dollars (\$410,000)(the “**Purchase Price**”). Seller hereby acknowledges that Buyer’s consideration includes consideration for all relocation services and relocation benefits to which Seller may be entitled to by law.
- b. **TERMS:**
 - (1) **EARNEST MONEY.** Buyer agrees to pay Five Thousand and No/100 Dollars (\$5,000.00) as Earnest Money payable on or before the Effective

Date of this Agreement. The Earnest Money shall be held by the Title Company as defined herein and shall be applied to the Purchase Price at the Closing Date as defined herein. The Earnest Money will be refunded to Buyer if Buyer terminates this Agreement prior to the completion of the Due Diligence Period as defined herein and the satisfaction of all Contingencies. Upon the completion of the Due Diligence Period and the satisfaction of the Contingencies, the Earnest Money will be non-refundable to Buyer and will be paid to Seller if this Agreement is terminated for any other reason.

- (2) **BALANCE DUE SELLER.** Buyer agrees to pay by check or wire transfer on the Closing Date any remaining balance due on the Purchase Price according to the terms of this Agreement.
- (3) **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Warranty Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens, or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:
 - i. Building and zoning laws, ordinances, state, and federal regulations;
 - ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
 - iii. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property.

3. Documents to be Delivered at Closing by Seller. In addition to the Warranty Deed required by Section 2(b)(3) herein, Seller shall deliver to Buyer at closing:

- a. An affidavit from Seller sufficient to remove any exception in Buyer's policy of title insurance for mechanics' and materialmens' liens and rights of parties in possession, if any;
- b. A "bring-down" certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date;
- c. Affidavit of Seller confirming that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- d. A well certification statement or a statement that Seller is not aware of any wells on the Property;
- e. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and

- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Purchase Agreement.

4. Contingencies. Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Agreement by Buyer's governing body. Nothing in this Agreement shall be interpreted to limit or restrict the discretion of Buyer's governing body to grant or withhold approval of the conveyance. This contingency may not be waived by either Party;
- b. Buyer having confirmed satisfactory condition of title;
- c. Buyer having received satisfactory environmental reports, including, but not limited to, a Phase I report and all necessary closure and no association letters from respective government agencies, if applicable;
- d. Buyer having confirmed that the geotechnical characteristics of the Property are satisfactory, based on soil borings to be taken and analyzed by Buyer's geotechnical consultant;
- e. Buyer having entered into a development agreement with a third party for the development of the Property with terms that are satisfactory to Buyer, in Buyer's sole discretion;
- f. Buyer being satisfied with the results of an analysis performed by a third party as to the long-term economic feasibility and financing of the purchase, if deemed necessary by Buyer;
- g. Buyer having received all governmental and other regulatory agency approvals required for the intended development of the Property (the "**Project**"). Any conditions placed on the approval of the Project, including a conditional use permit, if any, shall be approved by Buyer at Buyer's sole discretion.
- h. Buyer's ability to contemporaneously purchase the Neighboring Properties on or before the Closing Date.

(collectively referred to herein as the "**Contingencies**").

Buyer shall have a period of 180 days from the Effective Date to remove or waive the foregoing Contingencies (the "**Due Diligence Period**"). Buyer shall have the right to extend the Due Diligence Period for an additional 60 days, but only with respect to the governmental approval contingency stated in Section 4 (g) above. Buyer shall notify Seller in writing of said extension prior to the expiration of the Due Diligence Period.

The Contingencies are solely for the benefit of Buyer and may be waived in writing by Buyer. If

Buyer or its attorney gives written notice to Seller that all contingencies are duly satisfied or waived, the Parties shall proceed to close the transaction as contemplated herein.

If one or more of the Contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Seller shall return the Earnest Money to Buyer, and the Parties shall execute and deliver to each other documentation effecting the termination of this Agreement. Buyer shall also deliver to Seller copies of all documentation gathered during the Due Diligence Period, including without limitation all survey, environmental or soil tests. As a contingent purchase agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

5. Seller's Deliverables. Within seven business days of the Effective Date, Seller shall provide Buyer with copies of all relevant materials in Seller's possession relating to the Property, including but not limited to, title reports, soil reports, environmental studies, surveys, environmental reports, agreements with governmental authorities, or other records of the Property that Seller has in Seller's possession (collectively "**Seller's Deliverables**").

6. Title Examination/Curing Title Defects. Upon execution of this Agreement by both parties, Buyer shall, at its sole expense obtain a commitment for title insurance ("**Commitment**") for the Property from a title company to be selected by Buyer (the "**Title Company**"). Buyer shall have 15 business days after receipt of the Commitment or after the execution of this Agreement by both parties, whichever is later to examine the same and to deliver written objections to title, if any, to Seller, or Buyer's right to do so shall be deemed waived. Seller shall have until the end of the Due Diligence Period (or such later date as the Parties may agree upon) to make title marketable, at Seller's sole cost. In the event that title to the Property cannot be made marketable or is not made marketable by Seller within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

7. Buyer's Survey Obligations. The Parties hereby acknowledge the legal description for the Property as drafted may be deemed insufficient, unmarketable, and uninsurable by the Title Company as defined herein. In the event that the Property needs to be resurveyed and a new legal description created, Buyer shall be responsible for all costs and expenses associated with creating a new and valid legal description that is deemed sufficient, marketable and insurable as determined solely by Buyer.

8. Real Estate Taxes and Special Assessments. Seller shall pay all real estate taxes, interest, and penalties, if any, relating to the Property for the years prior to the year of closing. Provided that this transaction shall close as provided herein, Buyer agrees to pay all taxes for the years following the year of closing. The Parties shall prorate all taxes for the year of closing based on the Closing Date. Seller shall pay all special assessments regarding the Property which are levied or pending as of the Closing Date as defined in Section 9 herein, including portions which would otherwise have been payable in future installments.

9. Closing Date. The date of closing shall be within 30 days of the expiration of the Due Diligence Period unless mutually extended and expressed in writing signed by both Parties (the

“Closing Date”). The closing shall be made at the offices of the Title Company or at such other location as is mutually agreed upon by the Parties. All deliveries and notices to Buyer shall be made as provided in Section 16 of this Agreement.

10. Possession/Condition of Property.

- a. **Possession.** Seller agrees to deliver possession of the Property to Buyer no later than the Closing Date or September 30, 2023, whichever occurs later. Should the parties decide to close earlier than September 30, 2023, Seller shall be allowed to continue to occupy the Property until September 30, 2023. In that event, the Parties shall execute the Escrow and Occupancy Agreement, a form of which is attached as **Exhibit C** at closing which will allow Seller to be able to continue to occupy the Property after closing.
- b. **Condition of Property/No Personal Property.** Seller shall deliver possession of the Property to Buyer on the Closing Date in the same condition as the Property existed on the date of this Agreement. The Parties acknowledge that there is no personal property included in this exchange. However, in Seller’s discretion, non-hazardous personal property may be left in the house, attached garage, and unattached garage. Said personal property will become the responsibility of Buyer on the Closing Date. Seller acknowledges an abandonment of personal property on that date and will be entitled to no remuneration for the value of any personal property left on the Property on or after the Closing Date.

11. Seller’s Warranties. Seller hereby represents and warrants to Buyer and Seller will represent and warrant to Buyer as of the Closing Date that:

- a. No action in condemnation, eminent domain or public taking proceedings are now pending or contemplated against the Property.
- b. No ordinance or hearing is now before any local governmental body which either contemplates or authorizes any public improvements or special tax levies, the cost of which may be assessed against the Property.
- c. Seller has good and marketable fee simple title interest to the Property.
- d. There are no notices, orders, suits, judgments, or other proceedings relating to fire, building, zoning, air pollution or health violations that have not been corrected with respect to the Property.
- e. The Property will as of the date of closing be free and clear of all mortgages, liens, security interests, encumbrances, leases, or other restrictions except encumbrances permitted by Buyer. There are no third parties in possession of the Property.
- f. All labor or materials which have been furnished to the Property have been fully paid for or will be fully paid for prior to the closing date.

- g. The Property does not contain any underground or above ground storage tanks, except as otherwise disclosed by Seller in this Agreement.
- h. No wells or sewage treatment systems are on the Property.
- i. No hazardous wastes or materials are located on or under the Property and no notices have been received by Seller from any federal, state, local, or other governmental agency (or a compliance letter).

Buyer acknowledges that it has inspected or will have had the opportunity to inspect the Property and agrees to accept the Property "AS IS" with no right of set off or reduction in the Purchase Price. Such sale shall be without representation of warranties, express or implied, either oral or written, made by Seller or any official, employee or agent of Seller with respect to the physical condition of the Property,

Seller's representations and warranties set forth in this Section shall be continuing and are deemed to be material to Buyer's execution of this Agreement and Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any Party hereto. Seller agrees to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations, and attorneys' fees incurred should an assertion, injury, claim, demand, or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

12. Costs and Prorations. Seller shall pay: (a) the cost to record any documents to make title marketable; (b) any transfer or deed taxes; and (c) one-half of the closing costs charged by the Title Company. Buyer shall pay: (a) the cost of the title commitment (and any title search and examination fees); (b) any title insurance premiums and endorsements; (c) the cost to record the deed; (d) one-half of the closing costs charged by the Title Company; (e) any environmental investigation, geotechnical investigation or inspection costs; (f) any survey costs; and (g) the costs associated with Buyer's broker. Each Party shall pay its respective attorneys' fees.

13. Inspections. From the Effective Date to the end of the Due Diligence Period, Seller hereby expressly grants Buyer, its employees and agents, the right to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, as Buyer shall elect. Buyer shall hold Seller harmless from any liability caused by such entry. Buyer agrees to indemnify Seller against any liens, claims, losses, or damage directly attributable by Buyer's exercise of its right to enter and work upon the Property. Buyer agrees to provide Seller with a copy of any report prepared as a result of such inspection, examination, or testing, upon request by Seller.

14. Default/Exclusive Remedies. If Buyer defaults under this Agreement, Seller has the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall

specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Seller may terminate this Agreement and retain the Earnest Money as liquidated damages. The termination of this Agreement (and retention of the Earnest Money) shall be the sole remedies available to Seller for such default by Buyer, and Buyer will not be further liable for damages. If Seller defaults under this Agreement, Buyer shall have the right: (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money); or (ii) to enforce and recover from Seller specific performance of this Agreement. The termination of this Agreement (and refund of the Earnest Money), or the enforcement and recovery from Seller of specific performance of this Agreement, shall be the sole remedies available to Buyer for such default by Seller, and Seller shall not be further liable for damages.

15. Relocation Benefits; Indemnification. Seller acknowledges that Seller is not being displaced from the Property as a result of the transaction contemplated by this Agreement and that Seller is not eligible for relocation assistance and benefits or in the event that Seller is deemed eligible for relocation assistance and benefits, that the Purchase Price includes compensation for any and all relocation assistance and benefits for which Seller may be eligible. The provisions of this Section shall survive closing of the transaction contemplated by this Agreement.

16. Notice. Any notice, demand, request or other communication which may or shall be given or served by the Parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER: Elise J Karpan

BUYER: Grand Rapids Economic Development Authority
Attention: Rob Mattei
420 North Pokegama Avenue
Grand Rapids, MN 55744

With a copy to:

Kennedy & Graven
Attention: Sarah Sonsalla
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis MN 55402

17. Entire Agreement. This Agreement, including exhibits attached hereto, and any amendments hereto signed by the Parties, shall constitute the entire agreement between the Parties and supersedes any other written or oral agreements between the Parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of both Parties.

18. Survival. Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

19. Electronic Signatures; Execution in Counterparts. The electronic signature of the Parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the Parties hereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

20. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

21. Binding Effect. This Agreement binds and benefits the Parties and their heirs, successors, and assigns.

22. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions herein will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the agreements contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the Parties.

23. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

24. Partnership or Joint Venture. Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between the Parties relative to the Property.

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLER

By:  POA
Elise J. Karpan

BUYER

**GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Its: President

By: _____

Rob Mattei

Its: Executive Director

EXHIBIT A
Legal Description of the Property

The South Half of the Northeast Quarter (S ½ NE ¼), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25) West of the Fourth Principal Meridian LESS the East 330 feet thereof, Itasca County, Minnesota.

PID: 91-033-1430

Karpen Site



EXHIBIT B**Legal Descriptions of the Neighboring Properties**

The Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), West of the Fourth Principal Meridian, LESS the following three (3) tracts: Tract 1: South Twenty (20) acres thereof; Tract 2: North 198 feet of West 440 feet thereof; Tract 3: East 330 feet of the North Half thereof, Itasca County, Minnesota

PID: 91-033-1410

The North 500 feet of the Northeast Quarter of the Southeast Quarter (NE 1/4 SE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), LESS the South 220 feet of the West 300 feet thereof, County of Itasca, State of Minnesota.

PID: 91-033-4120

EXHIBIT C

Form of Escrow and Occupancy Agreement

ESCROW AND OCCUPANCY AGREEMENT

THIS AGREEMENT entered into as of _____, 2023, by and between Elise J. Karpan, a single person ("Occupant" or "Seller") and the Grand Rapids Economic Development Authority, a public body corporate and politic of the State of Minnesota, ("Buyer" or "EDA") and KENNEDY & GRAVEN, CHARTERED ("Escrow Agent" or "Agent").

RECITALS

A. Occupant and Buyer have entered into a Purchase Agreement dated _____, 2023 ("Purchase Agreement") for the sale of property located at _____ Grand Rapids, Minnesota and legally described on the attached Exhibit A (the "Subject Property").

B. The parties desire to close the sale of the Subject Property on _____, 2023 and that Occupant deliver possession to Buyer on or before September 30, 2023.

AGREEMENT

The parties agree as follows:

1. Delivery of Possession. Occupant shall deliver possession of the Subject Property to Buyer on or before 4:30 p.m. on September 30, 2023.
2. Rent. Occupant may occupy the Subject Property through the date and time specified in paragraph 1 without payment of rent to Buyer.
3. No Damage. Occupant agrees not to cause damage to the Subject Property or to any structure located on the Subject Property and agrees to deliver possession of the Subject Property to the Buyer in substantially the same condition as existed on the date the parties entered into the Agreement.
4. Utility Bills. Occupant agrees to pay for all utility services to the Subject Property through the last day of occupancy. Utility services include the following: sewer and water, electricity, gas, telephone, garbage collection, Internet service, and satellite/cable television.
5. Uninsured Damages/Insurance. Occupant is responsible for any and all damages that may occur to the Subject Property before Occupant vacates the Subject Property that are not covered by insurance. At all times during Occupant's occupancy of the Subject Property, Occupant shall maintain Occupant's homeowner's insurance policy covering Occupant's personal property.

6. Escrow. (a) Upon closing and execution of this Agreement, Occupant agrees to deposit into escrow the sum of **\$1,000.00** (the "Escrowed Funds") from the purchase price being paid by Buyer for the Subject Property, to be held by Agent in a non-interest bearing account.

(b) Within seven days after request by Agent, Buyer shall provide to Agent (with copy to Occupant) evidence of expenses incurred for the removal and disposal of personal property and for payment of utility charges for services provided to the Subject Property prior to date of possession, if any. Agent shall reimburse Buyer for the unpaid utilities and incurred expenses from the Escrowed Funds within seven days following receipt of such evidence from Buyer.

(c) Agent shall deliver to Occupant the balance of the Escrowed Funds on deposit, less deductions provided for in paragraph 6 (b) above, no later than 60 days following vacation of the Subject Property by Occupant.

7. Escrow Agent Liability. The sole duties of Escrow Agent shall be those described herein, and Escrow Agent shall be under no obligation to determine whether the other parties hereto are complying with any requirements of law or the terms and conditions of any other agreements among said parties. Escrow Agent may conclusively rely upon and shall be protected in acting on any notice believed by it to be genuine and to have been signed or presented by the proper party or parties, consistent with reasonable due diligence on Escrow Agent's part. Escrow Agent shall have no duty or liability to verify any such notice, and its sole responsibility shall be to act expressly as set forth in this Escrow and Occupancy Agreement.

8. Seller and Buyer understand that Agent is legal counsel to the Buyer and each consents to Agent's serving as Escrow Agent notwithstanding such representation. In the event Agent determines, in its sole discretion, that it cannot continue to serve as Escrow Agent herein, Agent shall deposit the funds with an Escrow Agent that is acceptable to Seller and Buyer. Seller consents to Agent's continued representation of Buyer after a deposit is made, and Buyer agrees to pay all escrow fees charged by the substitute Escrow Agent.

9. Notices to be sent to the parties to this Agreement shall be sent by mail or personal delivery to:

SELLER: Elise J. Karpan

BUYER: Grand Rapids Economic Development Authority
Attention: Rob Mattei
420 North Pokegama Avenue
Grand Rapids, MN 55744

AGENT: Kennedy & Graven, Chartered
Attn: Sarah J. Sonsalla
Fifth Street Towers, Suite 700
150 South Fifth Street

Minneapolis, MN 55402

IN WITNESS WHEREOF, the parties have executed this Agreement as of the date first written above.

SELLER

By: 

Elise J. Karpan

BUYER

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By: _____

Its: President

By: _____

Rob Mattei

Its: Executive Director

AGENT

KENNEDY & GRAVEN, CHARTERED

By: _____

Its: _____

Exhibit A
Legal Description of the Subject Property

The South Half of the Northeast Quarter (S $\frac{1}{4}$ NE $\frac{1}{4}$), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25) West of the Fourth Principal Meridian LESS the East 330 feet thereof, Itasca County, Minnesota.

PID: 91-033-1430



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 10, 2023

STATEMENT OF ISSUE: Consider adopting a resolution approving the purchase of property in the City of Grand Rapids from Mimar Development LLC and approving payment of the earnest money.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA has secured purchase agreements with three private property owners on the east side of the intersection of 7th Ave. E. and 29th Street SE for the purpose of supporting development in this industrial area.

This Purchase Agreement, between GREDA and Mimar Development LLC is for parcel number 91-033-4120.

The purchase price for this 13.7-acre parcel is \$288,000. The amount of required earnest money is \$5,000.

The closing date is within 30 days following the 180-day due diligence period, which begins upon the effective date of the Purchase Agreement. At the end of the 60-day due diligence period, GREDA will have an opportunity to remove or waive any contingencies.

Our buyer contingencies cover the normal review of title, environment, geotechnical as well as our ability to contemporaneously purchase this parcel together with the two neighboring properties. In addition, 4(e) which states: Buyer having entered into a development agreement with a third party for the development of the Property with terms that are satisfactory to Buyer, in Buyer's sole discretion.

REQUIRED ACTION: Approve a motion adopting a resolution approving the purchase of property in the City of Grand Rapids from Mimar Development LLC and approving a \$5,000 payment of the earnest money to the Seller.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING PURCHASE BY THE EDA FROM MIMAR DEVELOPMENT LLC OF CERTAIN PROPERTY LOCATED IN THE CITY OF GRAND RAPIDS AND CORRESPONDING PURCHASE AGREEMENT

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

Section 1. Recitals.

1.01. The Authority and Mimar Development LLC, a Minnesota limited liability company (the “Seller”) desire to enter into a purchase agreement (the “Agreement”) pursuant to which the Seller will convey to the Authority certain property (PID No. 91-033-4120) located in the City of Grand Rapids (the “City”) and legally described in Exhibit A attached hereto (the “Mimar Property”).

1.02. The Board has determined that the purchase of the Mimar Property as described in this resolution is in the best interest of the City and its residents for the purpose of furthering the Authority’s economic development objectives, and further finds and determines that the purchase of the Mimar Property has no relationship to the City’s comprehensive plan, in that no amendment or modification of the comprehensive plan is required for the purchase.

Section 2. Purchase of Mimar Property Approved; Further Proceedings.

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

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

constitute an offer and the Purchase Agreement shall not be effective until the date of execution thereof as provided herein.

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

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

President

ATTEST:

Secretary

EXHIBIT A**Legal Description of Mimar Property**

The North 500 feet of the Northeast Quarter of the Southeast Quarter (NE 1/4 SE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), LESS the South 220 feet of the West 300 feet thereof, County of Itasca, State of Minnesota.

PURCHASE AGREEMENT

This Purchase Agreement (this “**Agreement**”) is made this ___ day of _____, 2023 (the “**Effective Date**”) by and between Mimar Development LLC, a Minnesota limited liability company (“**Seller**”) and the Grand Rapids Economic Development Authority, a public body corporate and politic of the State of Minnesota (referred to herein as the “**Buyer**”) (herein referred to as each a “**Party**” or together as the “**Parties**”).

Recitals

WHEREAS, Seller is the owner of that certain real property located in the City of Grand Rapids, Itasca County, Minnesota (the “**City**”) and as legally described in the attached **Exhibit A** (the “**Property**”); and

WHEREAS, Seller wishes to sell to Buyer, and Buyer desires to purchase from Seller, the Property; and

WHEREAS, Buyer also wishes to contemporaneously purchase that certain real property neighboring the Property and located in the City and as legally described in the attached **Exhibit B** from unaffiliated third parties (the “**Neighboring Properties**”)

WHEREAS, the Parties wish to memorialize their mutual agreements and covenants in writing in the form of this Agreement.

Terms of Agreement

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, it is mutually agreed and covenanted by and between the Parties to this Agreement as follows:

1. Recitals. The foregoing recitals shall be and are hereby incorporated into and made a part of this Agreement.

2. Purchase Price and Terms:

- a. **PURCHASE PRICE:** The Purchase Price for the Property is Two Hundred and Eighty-Eight Thousand and No/100 Dollars (\$288,000.00)(\$20,992.00 per acre)(the “**Purchase Price**”). The Purchase Price is predicated upon the assumption that the Property consists of 13.72 acres, +/- (as hereinafter defined). “Acres” shall mean gross acreage less existing dedicated roads and easements and areas classified as waterways. Seller hereby acknowledges that Buyer’s consideration includes consideration for all relocation services and relocation benefits to which Seller may be entitled to by law.
- b. **TERMS:**

- (1) **EARNEST MONEY.** Buyer agrees to pay Five Thousand and No/100 Dollars (\$5,000.00) as Earnest Money payable on or before the Effective Date of this Agreement. The Earnest Money shall be held by the Title Company as defined herein and shall be applied to the Purchase Price at the Closing Date as defined herein. The Earnest Money will be refunded to Buyer if Buyer terminates this Agreement prior to the completion of the Due Diligence Period as defined herein and the satisfaction of all Contingencies. Upon the completion of the Due Diligence Period and the satisfaction of the Contingencies, the Earnest Money will be non-refundable to Buyer and will be paid to Seller if this Agreement is terminated for any other reason.
- (2) **BALANCE DUE SELLER.** Buyer agrees to pay by check or wire transfer on the Closing Date any remaining balance due on the Purchase Price according to the terms of this Agreement.
- (3) **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Warranty Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens, or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:
 - i. Building and zoning laws, ordinances, state, and federal regulations;
 - ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
 - iii. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property.

3. Documents to be Delivered at Closing by Seller. In addition to the Warranty Deed required by Section 2(b)(3) herein, Seller shall deliver to Buyer at closing:

- a. An affidavit from Seller sufficient to remove any exception in Buyer's policy of title insurance for mechanics' and materialmen's liens and rights of parties in possession, if any;
- b. A "bring-down" certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date;
- c. Affidavit of Seller confirming that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- d. A well certification statement or a statement that Seller is not aware of any wells on the Property;

- e. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and
- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Purchase Agreement.

4. Contingencies. Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Agreement by Buyer's governing body. Nothing in this Agreement shall be interpreted to limit or restrict the discretion of Buyer's governing body to grant or withhold approval of the conveyance. This contingency may not be waived by either Party;
- b. Buyer having confirmed satisfactory condition of title;
- c. Buyer having received satisfactory environmental reports, including, but not limited to, a Phase I report and all necessary closure and no association letters from respective government agencies, if applicable;
- d. Buyer having confirmed that the geotechnical characteristics of the Property are satisfactory, based on soil borings to be taken and analyzed by Buyer's geotechnical consultant;
- e. Buyer having entered into a development agreement with a third party for the development of the Property with terms that are satisfactory to Buyer, in Buyer's sole discretion;
- f. Buyer being satisfied with the results of an analysis performed by a third party as to the long-term financial feasibility of the purchase, if deemed necessary by Buyer;
- g. Buyer having received all governmental and other regulatory agency approvals required for the intended development of the Property (the "**Project**"). Any conditions placed on the approval of the Project, including a conditional use permit, if any, shall be approved by Buyer at Buyer's sole discretion.
- h. Buyer's ability to contemporaneously purchase the Neighboring Properties on or before the Closing Date.

(collectively referred to herein as the "**Contingencies**").

Buyer shall have a period of 180 days from the Effective Date to remove or waive the foregoing Contingencies (the "**Due Diligence Period**"). Buyer shall have the right to extend the Due Diligence Period for an additional 60 days, but only with respect to the governmental approval contingency stated in Section 4 (g) above. Buyer shall notify Seller in writing of said extension prior to the expiration of the Due Diligence Period.

The Contingencies are solely for the benefit of Buyer and may be waived in writing by Buyer. If Buyer or its attorney gives written notice to Seller that all contingencies are duly satisfied or waived, the Parties shall proceed to close the transaction as contemplated herein.

If one or more of the Contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Seller shall return the Earnest Money to Buyer, and the Parties shall execute and deliver to each other documentation effecting the termination of this Agreement. Buyer shall also deliver to Seller copies of all documentation gathered during the Due Diligence Period, including without limitation all survey, environmental or soil tests. As a contingent purchase agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

5. Seller's Deliverables. Within seven business days of the Effective Date, Seller shall provide Buyer with copies of all relevant materials in Seller's possession relating to the Property, including but not limited to, title reports, soil reports, environmental studies, surveys, environmental reports, agreements with governmental authorities, or other records of the Property that Seller has in Seller's possession (collectively "**Seller's Deliverables**").

6. Title Examination/Curing Title Defects. Upon execution of this Agreement by both parties, Buyer shall, at its sole expense obtain a commitment for title insurance ("**Commitment**") for the Property from a title company to be selected by Buyer (the "**Title Company**"). Buyer shall have 15 business days after receipt of the Commitment or after the execution of this Agreement by both parties, whichever is later to examine the same and to deliver written objections to title, if any, to Seller, or Buyer's right to do so shall be deemed waived. Seller shall have until the end of the Due Diligence Period (or such later date as the Parties may agree upon) to make title marketable, at Seller's sole cost. In the event that title to the Property cannot be made marketable or is not made marketable by Seller within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

7. Buyer's Survey Obligations. The Parties hereby acknowledge the legal description for the Property as drafted may be deemed insufficient, unmarketable, and uninsurable by the Title Company as defined herein. In the event that the Property needs to be resurveyed and a new legal description created, Buyer shall be responsible for all costs and expenses associated with creating a new and valid legal description that is deemed sufficient, marketable and insurable as determined solely by Buyer.

8. Real Estate Taxes and Special Assessments. Seller shall pay all real estate taxes, interest, and penalties, if any, relating to the Property for the years prior to the year of closing. Provided that this transaction shall close as provided herein, Buyer agrees to pay all taxes for the years following the year of closing. The Parties shall prorate all taxes for the year of closing based on the Closing Date. Seller shall pay all special assessments regarding the Property which are levied or pending as of the Closing Date as defined in Section 9 herein, including portions which would otherwise have been payable in future installments.

9. Closing Date. The date of closing shall be within 30 days of the expiration of the Due Diligence Period unless mutually extended and expressed in writing signed by both Parties (the “Closing Date”). The closing shall be made at the offices of the Title Company or at such other location as is mutually agreed upon by the Parties. All deliveries and notices to Buyer shall be made as provided in Section 16 of this Agreement.

10. Possession/Condition of Property.

- a. **Possession.** Seller agrees to deliver possession of the Property to Buyer no later than the Closing Date.
- b. **Condition of Property/No Personal Property.** Seller shall deliver possession of the Property to Buyer on the Closing Date in the same condition as the Property existed on the date of this Agreement. The Parties acknowledge that there is no personal property included in this exchange.

11. Seller’s Warranties. Seller hereby represents and warrants to Buyer and Seller will represent and warrant to Buyer as of the Closing Date that:

- a. No action in condemnation, eminent domain or public taking proceedings are now pending or contemplated against the Property.
- b. No ordinance or hearing is now before any local governmental body which either contemplates or authorizes any public improvements or special tax levies, the cost of which may be assessed against the Property.
- c. Seller has good and marketable fee simple title interest to the Property.
- d. There are no notices, orders, suits, judgments, or other proceedings relating to fire, building, zoning, air pollution or health violations that have not been corrected with respect to the Property.
- e. The Property will as of the date of closing be free and clear of all mortgages, liens, security interests, encumbrances, leases, or other restrictions except encumbrances permitted by Buyer. There are no third parties in possession of the Property.
- f. All labor or materials which have been furnished to the Property have been fully paid for or will be fully paid for prior to the closing date.
- g. The Property does not contain any underground or above ground storage tanks, except as otherwise disclosed by the Seller in this Agreement.
- h. No wells or sewage treatment systems are on the Property.
- i. No hazardous wastes or materials on or under the Property and no notices have been received by Seller from any federal, state, local, or other governmental agency (or a compliance letter).

Seller's representations and warranties set forth in this Section shall be continuing and are deemed to be material to Buyer's execution of this Agreement and Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any Party hereto. Seller agrees to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations, and attorneys' fees incurred should an assertion, injury, claim, demand, or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

12. Costs and Prorations. Seller shall pay: (a) the cost to record any documents to make title marketable; (b) any transfer or deed taxes; and (c) one-half of the closing costs charged by the Title Company. Buyer shall pay: (a) the cost of the title commitment (and any title search and examination fees); (b) any title insurance premiums and endorsements; (c) the cost to record the deed; (d) one-half of the closing costs charged by the Title Company; (e) any environmental investigation, geotechnical investigation or inspection costs; (f) any survey costs; and (g) the costs associated with Buyer's broker. Each Party shall pay its respective attorneys' fees.

13. Inspections. From the Effective Date to the end of the Due Diligence Period, Seller hereby expressly grants Buyer, its employees and agents, the right to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, as Buyer shall elect. Buyer shall hold Seller harmless from any liability caused by such entry. Buyer agrees to indemnify Seller against any liens, claims, losses, or damage directly attributable by Buyer's exercise of its right to enter and work upon the Property. Buyer agrees to provide Seller with a copy of any report prepared as a result of such inspection, examination, or testing, upon request by Seller.

14. Default/Exclusive Remedies. If Buyer defaults under this Agreement, Seller has the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Seller may terminate this Agreement and retain the Earnest Money as liquidated damages. The termination of this Agreement (and retention of the Earnest Money) shall be the sole remedies available to Seller for such default by Buyer, and Buyer will not be further liable for damages. If Seller defaults under this Agreement, Buyer shall have the right: (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money); or (ii) to enforce and recover from Seller's specific performance of this Agreement. The termination of this Agreement (and refund of the Earnest Money), or the enforcement and recovery from Seller of specific performance of this Agreement, shall be the sole remedies available to Buyer for such default by Seller, and Seller shall not be further liable for damages.

15. Relocation Benefits; Indemnification. Seller acknowledges that it is not being displaced from the Property as a result of the transaction contemplated by this Agreement and that they are not eligible for relocation assistance and benefits or in the event that Seller is deemed eligible for

relocation assistance and benefits, that the Purchase Price includes compensation for any and all relocation assistance and benefits for which Seller may be eligible. The provisions of this Section shall survive closing of the transaction contemplated by this Agreement.

16. Notice. Any notice, demand, request or other communication which may or shall be given or served by the Parties, shall be deemed to have been given or served on the date the same is personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, registered or certified, return receipt requested, postage prepaid and addressed as follows:

SELLER: Mimar Development LLC
Attn: Michael J. Ives and Mary F. Ives
973 NE 4th Street
Grand Rapids, MN 55744

BUYER: Grand Rapids Economic Development Authority
Attention: Rob Mattei
420 North Pokegama Avenue
Grand Rapids, MN 55744

With a copy to:

Kennedy & Graven
Attention: Sarah Sonsalla
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis MN 55402

17. Section 1031 Exchange. Seller may elect to assign this Agreement to a qualified intermediary or third party to complete a like kind exchange of property in accordance with Section 1031 of the Internal Revenue Code, as amended. Any such election shall be at no cost or liability to Buyer. Should this Agreement become part of a Section 1031 transaction, the non-electing party may enforce any and all representations, warranties, covenants, and other obligations of the electing party under this Agreement against the electing party.

18. Entire Agreement. This Agreement, including exhibits attached hereto, and any amendments hereto signed by the Parties, shall constitute the entire agreement between the Parties and supersedes any other written or oral agreements between the Parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of both Parties.

19. Survival. Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

20. Electronic Signatures; Execution in Counterparts. The electronic signature of the Parties to this Agreement shall be as valid as an original signature of such party and shall be effective to

bind the Parties hereto. For purposes hereof, (i) “electronic signature” means a manually signed original signature that is then transmitted by electronic means; and (ii) “transmitted by electronic means” means sent in the form of a facsimile or sent via the internet as a portable document format (“pdf”) or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

21. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

22. Binding Effect. This Agreement binds and benefits the Parties and their heirs, successors, and assigns.

23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions herein will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the agreements contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the Parties.

24. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

25. Partnership or Joint Venture. Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between the Parties relative to the Property.

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLER

MIMAR DEVELOPMENT LLC

By: Michael J. Jones
Its: Governor

BUYER

**GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Its: President

By: _____

Rob Mattei

Its: Executive Director

EXHIBIT A
Legal Description of the Property

The North 500 feet of the Northeast Quarter of the Southeast Quarter (NE 1/4 SE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), LESS the South 220 feet of the West 300 feet thereof, County of Itasca, State of Minnesota.

PID: 91-033-4120

EXHIBIT B
Legal Descriptions of the Neighboring Properties

The Southeast Quarter of the Northeast Quarter (SE 1/4 NE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), West of the Fourth Principal Meridian, LESS the following three (3) tracts: Tract 1: South Twenty (20) acres thereof; Tract 2: North 198 feet of West 440 feet thereof; Tract 3: East 330 feet of the North Half thereof, Itasca County, Minnesota

PID: 91-033-1410

AND

The South Half of the Northeast Quarter (S 1/4 NE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25) West of the Fourth Principal Meridian LESS the East 330 feet thereof, Itasca County, Minnesota.

PID: 91-033-1430



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 10, 2023

STATEMENT OF ISSUE: Consider authorizing a grant request to the Blandin Foundation for Downtown Organization planning and establishment.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

The past seventeen years since the implementation of the 2006 Downtown Plan have seen much accomplished toward establishing an active and vibrant downtown. GREDA's recent completion of a public participation driven update to the Downtown Plan is intended to build upon that success into the future.

As the public engagement with stakeholders during the recently completed update to the Plan revealed, Grand Rapids currently lacks the organizational capacity to support a more vibrant downtown.

To create that capacity, the attached request to the Blandin Foundation outlines a proposed project that will provide an opportunity for our community to learn about the capabilities and effectiveness of downtown organizations in peer markets and use that information to guide the creation of an organization to support downtown Grand Rapids. With that context, the proposed consultant, Janna King of Economic Development Services will guide stakeholders to create the appropriate organizational structure, leadership, goals, budget, and funding for a 3-to-5-year period.

The proposed budget for the project, including \$55,000 of funding requested from the Blandin Foundation is as follows:

Project Budget

Revenue:	
<i>Blandin Foundation</i>	<i>\$55,000</i>
<i>IRRR Development Partnership (not secured)</i>	<i>15,000</i>
<i>GREDA</i>	<i>15,000</i>
Total:	\$85,000

Expenses:	
<i>Consultant Fees</i>	<i>\$62,550</i>
<i>Tour (transportation, food, and lodging)</i>	<i>18,200</i>
<i>GREDA (in-kind)</i>	<i>4,250</i>
Total:	\$85,000

A more detailed outline of the proposed project is detailed in the attached application.

RECOMMENDATION:

REQUIRED ACTION: Approve a motion authorizing a grant request to the Blandin Foundation for Downtown Organization planning and establishment.



Blandin Foundation™
STRENGTHENING RURAL MINNESOTA



Grants Over \$50,000

Application Due:

March 15 | June 15 | September 15 | December 15

Grants Over \$50,000

If you haven't already, please visit our [website](#) to check your project's fit with our eligibility guidelines and areas of focus. Please email all grant applications to grants@blandinfoundation.org. Supporting information may be mailed separately or scanned and sent as attachments. **If you do not receive acknowledgment of your application in 2-3 business days, please call us at 218-326-0523.**

Organization Information

Grand Rapids Economic Development Authority

Name of organization

Name on articles of incorporation, if different

420 N. Pokegama Avenue

Grand Rapids, MN 55744

41-6005201

Address

City, State, Zip

Employer Identification Number (EIN)

218 326-7622

218 326-7621

www.grandrapidseda.com

Phone

Fax

Website

Rob Mattei

Executive Director

(218) 244-2924 rmattei@grandrapidsmn.gov

*Name of Executive Director, CEO,
Board Chair, or Lead Organizer*

Title

Phone

E-mail

(Same)

*Name of contact person regarding
this application*

Title

Phone

E-mail

Is your organization an IRS 501(c)(3) nonprofit? ☐ Yes ☒ No

If no, is your organization a public agency, tribal government entity, or unit of government?

☒ Yes ☐ No

If no, list name and address of fiscal agent, including EIN number:

EIN Number

If working through a fiscal agent, please attach an email or letter confirming they have agreed to be fiscal agent for your organization.

Proposal Summary

Duration of project: April 2022 to December 2022

Please give a 2-3 sentence summary of your proposal:

The Grand Rapids Economic Development Authority (GREDA), with assistance provided by the Blandin Foundation and the MN Department of Iron Range Resources and Rehabilitation, has completed a community planning process that featured active public participation to combine local knowledge and leadership with professional expertise and guidance in the preparation of an updated Downtown Plan. The Downtown Plan articulates an up-to-date vision and implementation strategy focused on the core concept of activation through physical design, investment strategies, economic niche and business mix and downtown organization.

The planning process brought to light that Grand Rapids lacks the organizational capacity to support a vibrant downtown. The establishment of that organizational capacity is a key objective of the Downtown Plan, and, therefore, a necessary first step in the short- and long-term implementation of the Plan. The proposed project involves funding professional assistance to review successful peer markets and guide/facilitate the development of an appropriate organization structure, leadership, goals, and budget for the first 3-5 years of operation.

Please give a 1-2 sentence summary of the geographic area your proposal will serve:

A vibrant Downtown, through an organized and engaged group of downtown business owners, property owners, public and non-profit entities will serve to attract new talent, business investment and strengthen existing businesses in the heart of the City. The businesses in this area serve a retail trade-area population of 49,000 residents in Itasca, Aitkin and Cass and St. Louis counties.

Furthermore, according to a data source subscription obtained by VGR, the City and Itasca County that extracts cell phone data within geofenced areas, downtown Grand Rapids is the most visited point of interest in Itasca County, attracting over 85,000 unique visitors traveling from further than 50 miles away, in 2021.

Please give a 1-2 sentence summary of how your board and staff are representative of the population you serve.

The Grand Rapids Economic Development Authority is a public body established under Minnesota Statute Chapter 469 and enabling resolutions enacted by the City Council of the City of Grand Rapids. The seven member GREDA Board of Commissioners includes: two City Council members, a business financial officer, an accountant/business owner, a business owner, an economic development loan officer and a retired power industry CEO. All GREDA members are appointed by the Mayor and approved by the City Council and must demonstrate an interest and concern about present and future development of the economy, an ability to keep an open and objective mind, and have linkages with neighborhood, citizen groups and the business community.

The Director of Community Development serves as the GREDA Executive Director, their Bond and Economic Development Counsel, Martha Ingram (Kennedy and Graven) and the City Finance Director provide staff support to GREDA.

Budget Summary

Fiscal Year of Organization or Project:	2023 to 2024
Total project budget:	\$85,000
Total dollar amount requested of Blandin Foundation:	\$55,000
Total annual budget (organization operating budget):	\$16,000

Signature

____Rob Mattei____
 Name of CEO/Executive Director or Board Chair



 Signature (scanned/electronic signature acceptable)

Proposal Narrative

Organizational Profile

The mission of GREDA is to promote growth in our local economy through efforts focused on business recruitment and attraction, and business retention and expansion within the corporate limits of the City of Grand Rapids. A summary of the types of activities in which GREDA engages is as follows:

- 1) *Administration of the GREDA Commercial Building Improvement Loan Program.*
- 2) *Act as a redevelopment agency in the promotion, encouragement and development of sound industry and commerce through governmental action to prevent the emergence of, or to correct, conditions of blight or marginal land. Acting as a redevelopment agency, some of the GREDA's abilities include:*
 - a) *Acquire, construct, and hold lands, buildings, easements, improvements to lands and buildings to be located on designated sites.*
 - b) *Issue revenue bonds to finance some or all costs of acquisition, construction, and reconstruction.*
- 3) *Involvement in the development and implementation of local business retention and expansion (BRE) programs.*
- 4) *The development of industrial parks in the City of Grand Rapids, including activities such as:*
 - a) *Site selection*
 - b) *Land acquisition through purchase or lease, with powers of eminent domain if necessary, and with the power to issue general obligation bonds with City Council authorization.*
 - c) *Enter into contracts for the development of: subdivision plats, extensions of infrastructure, building construction.*
 - d) *Business recruitment followed by sale or lease of real or personal property.*
- 5) *Study and analyze the economic development needs in the City and propose actions to meet those needs.*
- 6) *May participate with public or private corporations or other entities whose purpose is to provide seed or venture capital to small businesses located or to be located in an economic development district within the City.*

GREDA has taken the lead role for the City of Grand Rapids in the creation of four industrial park areas in Grand Rapids, beginning in 1969. Industries and facilities already located in these industrial parks include ASV Inc., Arrowhead Promotion, Minnesota Diversified Industries, Viking Electric, Schroeder Log Home Supply, and the US Forest Service Fire Training Center. Within the two industrial parks, developed on the north side of Lily Lake between 1992 and 2002, six industries are now operating, providing over 650 jobs to residents of the Grand Rapids area. In April of 2007, GREDA entered into a public/private partnership with Round Development and the City of Grand Rapids to create the Airport South Industrial Park. This forty acre industrial park is located in southeast Grand Rapids adjacent to the south side of 29th St. SE, and the west side of 7th Ave. SE (Airport Rd.). Since the development of this park, GREDA has attracted the location of Swan Machine, Country Hearth Bread distribution and Frito Lay distribution. In 2010, Itasca Economic Development Corporation (IEDC) requested GREDA's purchase of a 25-acre portion of the former Ainsworth OSB plant to improve IEDC's cash position following their acquisition of the site. GREDA achieved shovel-ready certification for the site and within three years had sold it to two businesses, DC Manufacturing and Hammerlund Construction, and delivered IRRR grants to both projects.

GREDA has also been active in promoting re-development of underutilized, publicly owned, property along the Mississippi riverfront, following the recommendations within the Riverfront Framework Plan. This effort led to the development of the Glorvigen Office building at the corner of 1st Ave. E. and 2nd St. North. Adjacent to the Grand Rapids Area Library, the GREDA also successfully negotiated the sale of GREDA riverfront property, leading to the development of the KAXE public radio broadcast center and outdoor performance amphitheater. The Block 20/21 site, north of the Library, and the Block 5 site, east of 3rd Ave, are additional sites currently available for development in this area.

The objective of revitalizing the Downtown Central Business District has been a consistent area of focus for GREDA. The Downtown Redevelopment Master Plan establishes a collection of fundamental objectives for directing redevelopment in the Downtown, and specifically identifies key redevelopment opportunity sites in the Downtown with strategies for the use of public and private investment. The Plan also provides guidance for improvements to the public realm (streetscape) and public parking areas to create a renewed Downtown.

In addition to the improvements the public realm in the Downtown, GREDA has been engaging private interest in the larger task of securing the redevelopment of deteriorated, underutilized, properties within the opportunity sites identified in the Plan. Past successes include:

- *Block 37 Redevelopment Project - Block 37 is the block bordered on the north by Highway 2, on the east by Highway 169 and on the west by First Ave. W. GREDA assembled/purchased vacant properties for conveyance to Rennix Corporation, the developer and assisted Rennix with a short-term (18-month) acquisition loan, provided through the Downtown Redevelopment Loan PRI with the Blandin Foundation. With GREDA's recommendation, the City of Grand Rapids created a Tax Increment Financing Redevelopment District to support the acquisition and private renovation of two substandard commercial buildings (now the Crossings Marketplace and the Crossings buildings), the demolition of one substandard commercial building, and the new construction of a commercial building which is now Members Cooperative Credit Union.*
- *Block 19 Redevelopment Project - GREDA and the City sold a building (abandoned Township Hall) to the Rapids Brewing development, secured an IRRR grant used to fund the demolition of*

two buildings and provided a Small Cities Development Program (SCDP) deferred/forgivable loan as well as a low interest CBIL loan to Rapids Brewing for the renovation of the former Rialto Theater building. Now that Rapids Brewing has established their business, they have purchased the adjoining building to the south and are planning an expansion of brewing capacity and seating. In addition, GREDA provided a SCDP deferred/forgivable loan to Wayne's Automotive for their façade improvements.

Some of the items on the GREDA 2023 Work Plan include:

- Support the needs of industries looking to occupy portions of the Voyageur Capital building
- Continue to support the ASV/Yanmar Expansion
- Begin implementation of the updated Downtown Plan.
- Ensure an adequate inventory of industrial sites and facilities exist to accommodate full industrial, warehousing & distribution business expansion and re-location potential.
- Continue to support our medical service providers to ensure that Grand Rapids maintains and grows its position as a regional hub.
- Continue to advocate for highway transportation route improvements to improve linkages between Grand Rapids and the interstate, the Duluth port.
- Consider ways to support the relocation/renovation of local small businesses and assist with ADA compliance improvement funding options.

GREDA staff has developed effective partnerships with state, regional and local economic development organizations such as MN IRRR, DEED, and IEDC. A recent example of a collaborative effort involved leading the effort to attract the relocation of ASV Holdings' parts distribution division from a third-party logistics vendor in Mississippi to Grand Rapids. GREDA pulled in IRRR and DEED representatives to discuss the project with ASV officials. GREDA applied for and received funds from the DEED Minnesota Investment Fund program and used those to provide a \$125,000 equipment loan to ASV with forgivable and low interest terms. IRRR provided a \$300,000 business loan with forgivable terms based on specific employment targets.

More recently, that same process was repeated on a larger scale with GREDA leading the effort, together with IRRR, DEED, the City and the County to support Yanmar Compact Equipment North America (ASV)'s expansion. The expansion involves \$9.5M CAPEX in construction of a 32,000 sq. ft. paint facility addition and equipment purchases. The expansion will require significant staffing, approximately 360 FTE, to accomplish a ramp-up of their production of Compact Track Loaders and the relocation of a new Compact Excavator production line from their parent company in Japan.

Purpose of Grant

A. Background

The 2006 Downtown Plan successfully guided public policy decisions and investments as well as stimulated private investment in the Downtown for the past 17 years. Unquestionably, the sum of the efforts made under the guidance of that plan put the downtown in a much better position than it was in 2006. Private investment interest is growing, fewer buildings are vacant, blighted conditions are greatly reduced, the public realm is more pedestrian friendly and inviting, and the downtown is much more active.

The Grand Rapids Economic Development Authority, with assistance from the Blandin Foundation and MN Iron Range Resources and Rehabilitation, recently completed a process of public engagement, lead with professional guidance, to update to the Downtown Plan.

The new Downtown Plan explores potential and opportunities for change, investment, and preservation throughout the study area. The Plan provides a framework for the strategies and solutions for Downtown Grand Rapids, and involves the key elements of land use, transportation and mobility, economic development, and streetscape and public realm. This framework provides the overall concepts and solutions that will support movement in achieving the vision established through this process.

The recommendations identified within the Plan focus on the core concept of activation. Four focus areas support the concept of activation, including physical design & appearance, economic niche & business mix, investment strategies, and downtown organization.

Overall, the framework for each of the four areas looked to emphasize three key opportunities:

ACTIVATION is the opportunity to make and create places and spaces that provide experiences, connections, and memories. Activation within the Downtown can take many forms, from built improvements that create a new destination, from gathering spaces to facilitate connection to community events that draw the community and visitors to Downtown.

MOBILITY is the ability to move safely and efficiently from place to place. There are many varied priorities for mobility Downtown and opportunities must balance these varied priorities to continue to support access to destinations and through movements along US 2 and US 169.

PLACEMAKING is an opportunity to establish a sense of place or identity for Downtown. This identity can be used to solidify who Downtown is and how it connects to the broader community. Additionally, that identity can be further refined to support specific destinations and districts.

The economic development strategies within the Plan emphasize that “to maintain a vibrant, well-activated downtown our community needs a downtown organization with the capacity to bring together private business and property owners, the public, non-profit, and philanthropic sectors. Large employers in the community with a vested interest in the success of downtown should be actively supportive and engaged. The organization should have the capacity to carry out research functions to clarify the evolving market niche of downtown Grand Rapids. The organization should encourage alignment of the downtown business mix, activation strategies, financing and technical assistance strategies, and physical design and appearance with these market insights. The organization needs the capacity to support a range of activation strategies and communicate effectively with targeted audiences.”

The organization of these stakeholders is a key first step toward implementation of the Downtown Plan. GREDA has sought the assistance of Janna King of Economic Development Strategies (Consultant), a sub-consultant in the preparation of the Downtown Plan with broad experience in organizing and operating downtown organizations. The proposed project will utilize that expertise and



familiarity with downtown Grand Rapids and its stakeholders as described in the following implementation section.

B. Implementation

As previously stated, Grand Rapids currently lacks the organizational capacity to support a vibrant downtown. To create that capacity, this project will provide an opportunity for our community to learn about the capabilities and effectiveness of downtown organizations in peer markets and use that information to guide the creation of an organization to support downtown Grand Rapids. With that context, the Consultant will guide stakeholders to create the appropriate organizational structure, leadership, goals, budget, and funding for a 3-to-5-year period.

The new organization will need to raise funds and recruit volunteer leadership and appropriate staff, consultants, and/or contract with partner organizations to ensure that organizational goals can be accomplished. To be successful on an ongoing basis, the organization must create systems to measure progress and impact in achieving goals. With this information, the organization can refine and adjust their strategies as needed. The organization also needs to establish and implement systems for communicating regularly with business and property owners, funders, community stakeholders and potential downtown investors. It is also essential to build the capacity to communicate effectively with area residents, visitors, and potential visitors, and support a range of events as a sponsor or partner.

The Consultant's proposed approach and scope for this project involves the following:

1. Draft a **preliminary work plan** for the organization's initial two years based on the Downtown Grand Rapids Plan Update. Identify key areas of responsibility and capabilities that will be needed to implement the Grand Rapids Plan Update.

2. Work with the Community Development Director to **establish an Advisory Committee** of downtown stakeholders including business and property owners and anchor institutions in the community. The Advisory Committee members will be actively involved in helping shape a public-private downtown organization focused on long-term downtown vitality with the capacity to act strategically and respond to market challenges and opportunities. An in-person kick-off meeting of the Advisory Committee will be held focusing on the following elements.

- Introductions
- Why create a downtown organization?
- Highlights of the Downtown Grand Rapids Plan Update and the expected role of a downtown organization in implementing the plan and sustaining a healthy downtown in Grand Rapids
- Advisory Committee members responsibilities
- Preliminary timeline
- Discussion of possible "model" downtown organizations in regional center communities. Several possibilities will be suggested, and advisory committee members will be asked for additional suggestions.
- Next steps

3. The **consultant will do a preliminary evaluation of candidate downtown organizations** in regional center communities in Greater Minnesota that could serve as models for Grand Rapids and share the results with the Advisory Committee via Zoom. The preliminary evaluation will identify:

- Organization (i.e., structure, leadership, partnerships, "big picture" staffing, budget, funding)
- Market characteristics (i.e., size, seasonality related to tourism)
- Focus of downtown organization (e.g., strategy and business mix, physical revitalization, design and appearance, financing and technical assistance, marketing and promotion, activation, coordinating activities and events)

4. The consultant will **research the selected peer communities** gathering more information about

- Peer downtown challenges, accomplishments, and impact over time
- Strategy and elements considered critical by peer community stakeholders
- Additional detail on organizational structure, relationships with other development-related organizations (e.g., chambers, development organizations, visitors' bureaus), staffing, budgets

5. The Consultant will further **expand upon the peer community research with the Advisory Committee** by facilitating:

- **Advisory Committee bus tour** (The tour could also be opened to other downtown stakeholders) Peer community findings would be shared with approximately 25 participants in a 2 night, 3-day bus tour. With this approach community stakeholders share the first-hand experience of seeing a variety of downtown challenges and solutions and learning directly from stakeholders in other communities. A trip gets community stakeholders "away" and creates an opportunity to build relationships, trust and shared understandings. A brief survey on the bus and an in person facilitated session following the tour will identify elements of the various models that would be appropriate for Grand Rapids.

6. The Consultant will **work with the Advisory Committee to refine the new organization's workplan for the initial two years** based on peer community research and meet with community and economic development organizations serving Grand Rapids regarding their interest and capacity to partner and provide services to the downtown organization. The consultant will also work with the Advisory Committee to develop recommendations regarding three elements important to getting an organization up and running: bylaws (draft – subject to legal review), membership structure and location of the downtown organization's offices.

7. The consultant will **prepare a draft report and recommendations** regarding the creation of a sustainable downtown organization appropriate for Grand Rapids. The draft will be shared with Community Development staff and Advisory Committee members for feedback and revisions.

8. The Consultant has also proposed to provide the following **additional tasks**:

- Explore the willingness of funders to provide financial support based on the report. Adjust report as needed to reflect realistic fundraising capacity.
- Prepare a job description that reflects the qualifications and responsibilities for leadership of a downtown organization serving Grand Rapids.

The key element to the success of this project is the active engagement of the downtown stakeholder groups. Active engagement generates buy-in, enthusiasm and desire to be involved in the implementation of a newly formed downtown organization. Through the active participation in the recently completed Downtown Plan, the desire and enthusiasm for an effective and sustainable downtown organization is clearly there.

Assessment

Success will be measured through the implementation and sustainability of an effective downtown organization.

Project Budget

Revenue:	
Blandin Foundation	\$55,000
IRRR Development Partnership (not secured)	15,000
GREDA	15,000
Total:	\$85,000
Expenses:	
Consultant Fees	\$62,550
Tour (transportation, food, and lodging)	18,200
GREDA (in-kind)	4,250
Total:	\$85,000

Organizational Budget – GREDA Operating Budget

CITY OF GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY <i>Actual 2018-2021 Expenditures, 2022 Budget And Proposed 2023 Budget</i>						
	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	PROPOSED 2023 BUDGET
Fund Balance 1/1/XX:	28,558	30,968	17,096	2,880	18,096	2,046
REVENUES:						
Taxes						
Current	15,000	-	-	30,000	-	35,000
Fiscal Disparities	-	-	-	-	-	-
Total Taxes	15,000	-	-	30,000	-	35,000
Intergovernmental						
Supplemental Aid	-	-	-	-	-	-
Total Intergovernmental	-	-	-	-	-	-
Miscellaneous Revenue						
Miscellaneous Revenue	779	-	-	-	-	-
Interest - Investments	345	427	164	95	200	200
Total Miscellaneous	1,124	427	164	95	200	200
Other Sources						
Fund Balance Usage	-	-	-	-	16,050	-
TOTAL REVENUES	16,124	427	164	30,095	16,250	35,200
EXPENDITURES:						
Supplies/Materials	31	23	13	12	50	100
Professional Services	153	229	150	230	400	400
Accounting/Auditing Services	2,360	3,183	3,697	3,690	3,800	3,800
Legal	779	752	220	421	1,200	1,000
Consulting	10,000	10,000	10,000	10,000	10,000	10,000
Seminars/Meetings	-	-	-	-	250	250
General Insurance	17	17	20	18	50	100
Other Charges & Services	374	94	280	508	500	500
TOTAL EXPENDITURES	13,714	14,298	14,380	14,878	16,250	16,150
REVENUES > EXPENDITURES	2,410	(13,871)	(14,216)	15,216	-	19,050
FUND BALANCE 12/31/XX	\$ 30,968	\$ 17,097	\$ 2,880	\$ 18,096	\$ 2,046	\$ 21,096

GREDA website (list of board members)

www.grandrapidseda.com

Audited Financial Statement and 2006 Downtown Redevelopment Masterplan Attached



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 10, 2023

STATEMENT OF ISSUE: Review and consider recommendations for draft 2024 GREDA Operations Budget and levy for Capital Projects Fund

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

The Finance Department is requesting GREDA's recommended Operating Budget for 2024. I have attached a marked up operating budget worksheet for your review. The worksheet shows the actual line item expenditures in 2019-2022, as well as the 2023 adopted budget and a 2024 proposed budget, under which I have entered my suggestions.

As provided for under §469.107, the GREDA has over the last several years has requested the City levy for additional monies to begin to sustain a balance in the GREDA Capital Projects Fund. For the last few years, GREDA has requested and received a levy of \$60,000, with the exception being last year, when the City levied \$80,000 for GREDA. Given GREDA's level of activity and recent project related expenditures, I would recommend a request of \$100,000 to begin to restore the Capital Projects Fund balance.

RECOMMENDATION:

Review the proposed 2024 Operating Budget, consider any amendments and pass on a recommended budget to the City Council.

REQUIRED ACTION: Pass a motion adopting a recommended 2024 Operating Budget, and a levy request of \$100,000 and direction to the Finance Department to transfer all of those proceeds into the Capital Projects Fund

CITY OF GRAND RAPIDS
ECONOMIC DEVELOPMENT AUTHORITY
Actual 2019-2022 Expenditures, 2023 Budget And Proposed 2024 Budget

	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 ACTUAL	2023 BUDGET	PROPOSED 2024 BUDGET
Fund Balance 1/1/XX:	30,968	17,096	2,880	18,096	4,296	23,346
REVENUES:						
Taxes						
Current	-	-	30,000	-	35,000	-
Fiscal Disparities	-	-	-	-	-	-
Total Taxes	-	-	30,000	-	35,000	-
Intergovernmental						
Supplemental Aid	-	-	-	-	-	-
Total Intergovernmental	-	-	-	-	-	-
Miscellaneous Revenue						
Miscellaneous Revenue	-	-	-	-	-	-
Interest - Investments	427	164	95	103	200	100
Total Miscellaneous	427	164	95	103	200	100
Other Sources						
Fund Balance Usage	-	-	-	-	-	-
TOTAL REVENUES	427	164	30,095	103	35,200	100
EXPENDITURES:						
Supplies/Materials	23	13	12	148	100	150
Professional Services	229	150	230	95	400	300
Accounting/Auditing Services	3,183	3,697	3,690	3,042	3,800	3,800
Legal	752	220	421	22	1,000	1,000
Consulting	10,000	10,000	10,000	10,000	10,000	10,000
Seminars/Meetings	-	-	-	25	250	250
General Insurance	17	20	18	24	100	100
Other Charges & Services	94	280	508	547	500	550
TOTAL EXPENDITURES	14,298	14,380	14,878	13,903	16,150	16,150
REVENUES > EXPENDITURES	(13,871)	(14,216)	15,216	(13,800)	19,050	(16,050)
FUND BALANCE 12/31/XX	\$ 17,097	\$ 2,880	\$ 18,096	\$ 4,296	\$ 23,346	\$ 7,296