



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

CITY COUNCIL MEETING AGENDA
Tuesday, May 28, 2024
5:00 PM

CALL TO ORDER: Pursuant to due notice and call thereof, a Regular meeting of the Grand Rapids City Council will be held on Tuesday, May 28, 2024 at 5:00 PM in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL:

PROCLAMATIONS/PRESENTATIONS:

1. Presentation of Certificates of Completion for 2024 City Government Academy

POSITIVE HAPPENINGS IN THE CITY:

PUBLIC FORUM:

COUNCIL REPORTS:

APPROVAL OF MINUTES:

2. Approve Council minutes for Monday, May 13, 2024 Worksession and Regular meetings.

VERIFIED CLAIMS:

3. Approve the verified claims for the period May 7, 2024 to May 20, 2024 in the total amount of \$927,263.46.

CONSENT AGENDA:

4. Consider discontinuing the employment relationship with seasonal golf employee.
5. Consider Removal of Appointment to Part-Time Hospital Security Officer Roster.
6. Act on withdrawal of job acceptance from GRPD Police Officer Candidate; Authorize Human Resources to repost, interview, and hire for the open position of Police Officer.
7. Consider entering into an agreement with Yanmar North America
8. Consider reviewing and approving updates to Data Access Policy
9. Consider adopting a resolution establishing a variance for utility connections along County Road 63

- [10.](#) Consider approving temporary liquor licenses for MacRostie Art Center First Friday Events.
- [11.](#) Consider renewal of annual service agreement with SVL for library chiller.
- [12.](#) Consider authorizing the Community Development Department to solicit quotes and accept the low quote for the demolition of the hazardous buildings located at 914 Clover Lane.

- [13.](#) Consider entering into a developer agreement with Grand Partners, LLC
- [14.](#) Consider approving an agreement with SEH for a Taxiway North planning study and authorizing a grant request to the FAA
- [15.](#) Consider authorizing the Fire Department to apply for a DNR Grant.
- [16.](#) Consider accepting the resignation of Peggy Clayton from the Human Rights Commission
- [17.](#) Consider approving temporary liquor license for Thunderhawk Lighting Blueline Club
- [18.](#) Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check
- [19.](#) Consider agreements with KAXE and Blandin Foundation related to Grand Rapids Riverfest
- [20.](#) Consider accepting high bid for patio furniture for sale by the Pokegama Golf Course.

SET REGULAR AGENDA:

ADMINISTRATION:

- [21.](#) Consider the appointment of Sarah Phillips to the position of Police Department Summer Intern with the Grand Rapids Police Department
- [22.](#) Consider a request to become a member of the TH 169 Range Gateway Coalition

COMMUNITY DEVELOPMENT:

- [23.](#) Consider approval of a resolution awarding the sale of, and providing the form, terms, covenants and directions for the issuance of a tax increment financing revenue note and approving the Contract for Private Development with HWY 35, LLC and a Business Subsidy Agreement

CITY COUNCIL:

- [24.](#) Consider making an appointment to the Pokegama Golf Board

PUBLIC HEARINGS: (scheduled to begin no earlier than 5:00 PM)

- [25.](#) Conduct a public hearing to consider changes to City of Grand Rapids Municipal Chapter 62, Article 62-II Lodging Tax

ADMINISTRATION:

26. Consider adopting an ordinance amending Chapter 62, Article 62-II, Lodging Tax and authorize publication in summary form.

PUBLIC HEARINGS: (scheduled to begin no earlier than 5:00 PM)

27. Conduct a public hearing to consider changes to City of Grand Rapids Municipal Chapter 46, Article 3, Alcohol Consumption

ADMINISTRATION:

28. Consider adopting an ordinance amending Chapter 46, Article 3 Alcohol Consumption of the Grand Rapids City Code and authorize publication in summary form.

ADJOURNMENT:

NEXT REGULAR MEETING IS SCHEDULED FOR JUNE 10, 2024 AT 5:00 PM

Hearing Assistance Available: This facility is equipped with a hearing assistance system.

MEETING PROTOCOL POLICY: Please be aware that the Council has adopted a Meeting Protocol Policy which informs attendees of the Council's desire to conduct all City meetings in an orderly manner which welcomes all civil input from citizens and interested parties. If you are unaware of the policy, copies (orange color) are available in the wall file by the Council entrance.

ATTEST: Kimberly Gibeau, City Clerk



CITY OF
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CITY COUNCIL WORKSESSION MINUTES

Monday, May 13, 2024

4:00 PM

Mayor Connelly called the meeting to order at 4:03 PM.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Tom Sutherland, Councilor Rick Blake. ABSENT: Councilor Molly MacGregor

STAFF: Tom Pagel, Chad Sterle, Barb Baird, Chery Pierzina, Andy Morgan

BUSINESS:

1. Financial Presentation by Rebecca Petersen, Redpath & Company, Ltd.

Rebecca Petersen, Redpath, presents official audit report including findings, internal controls, financial highlights, activity, various fund accounts, etc. A full report is available to the public upon request.

2. GoMarti Update

goMARTI representatives highlighted program statistics, timeline of activities, MNDOT and IRRR support as they work towards federal funding, goMARTI 2.0, route and service updates, door service and more.

REVIEW OF REGULAR AGENDA:

Upon review, no additions or changes are noted.

There being no further business, the meeting adjourned at 4:57 PM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF
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CITY COUNCIL MEETING MINUTES

Monday, May 13, 2024

5:00 PM

Mayor Connelly called the meeting to order at 5:05 PM.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Tom Sutherland, Councilor Rick Blake. ABSENT: Councilor Molly MacGregor

STAFF: Tom Pagel, Chad Sterle, Kevin Ott, Barb Baird, Andy Morgan, Will Richter

POSITIVE HAPPENINGS IN THE CITY:

Mayor Connelly highlighted the Free Range Food Co-op launch on May 3, 2024, L&M Groundbreaking on May 7, 2024, National Police Week through May 18th.

Councilor Sutherland welcomes people coming into the community for fishing opener, acknowledging high number of tourists coming in and through Grand Rapids.

Councilor Adams talks about the Grand Rapids Rotary Housing presentation, noting that feedback from attendees was positive and encouraging to keep moving forward.

Councilor Blake provided overview of WMMPB meeting and information relative to Mag Iron LLC.

PUBLIC FORUM:

Catherine McLynn, 931 N. Pokegama Avenue, Tuesday May 21st for Water Summit – appreciation for assistance. Expressed opposition to Pride Fest being held on Central School grounds and requests the City Council cancel the reservation of Pride Fest based on religious beliefs.

Nathan Burkstead, 1240 Golf Course Road, notes that we are not a Christian nation based on the constitution. Opposes eating shell fish and wearing multi fiber fabrics.

Stephanie Lipsy, 28761 Prairie Lake Road, asking Pride Event be moved to private venue so children in the community will not be exposed, noting Minnesota statutes against child endangerment. Indicates that the City will be liable if injuries occur due to violence that may erupt at the event.

Liz Branum, PO Box 6025, Grand Rapids, member of Zion Lutheran and assists churches in becoming more LBGTQ+ welcoming. Intent is to have a safe event for all in attendance. Invitation to Council members to attend.

Dana Butler, 504 NE 4th Avenue, speaks in support of Pride event. Noted that Minnesota is the home of the first same sex marriage in the United States, a sanctuary state and this type of rhetoric insights hate and often suicide.

Sandy Bromanshankle (sp), Deer River, speaks on behalf of Pride event, plan to attend and support.

Kathleen Blake, 835 NE 3rd Avenue, speaking in support of Pride Festival and shared scripture as well.

Annie Frederickson, 112 SW 21st Street, speaks in support of Pride Festival and believes that if residents who oppose the event don't like it, they should stay away from the event.

Zach Nichols, 20089 Carrol Street, advocating to allow Pride event to remain at Central School.

Aaron Schnauzer, Balsam, states that information on planned drag shows is on the website of Itasca Pride.

Nick Thompson, Balsam, supporting Pride festival. This event is needed in this community.

Juanita Ewens, 921 NW Grand Rapids, speaks in support of event. People should be allowed to live their own lives. If you don't like it, don't show up.

Councilor Sutherland asks for clarity on events taking place at Pride Fest.

Karter Starling, PO Box 6025, states that there will be musical performances, drag performers, political speaker, food trucks, beer garden and vendors. Performers will be fully clothed and bad language will not be part of performance. If violence erupts at the event, it will be the responsibility of the opposing group.

APPROVAL OF MINUTES:

- 1. Approve minutes for Monday, April 22, 2024 Worksession and Regular meetings, Thursday, April 18, 2024 Joint City Council & PUC meeting and April 22, 2024 Closed meeting summary.

Motion made by Councilor Blake, Second by Councilor Adams to approve Council minutes and summary as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

VERIFIED CLAIMS:

- 2. Approve the verified claims for the period April 16, 2024 to May 6, 2024 in the total amount of \$1,568,621.79 of which \$237,500 are debt service payments.

Motion made by Councilor Sutherland, Second by Councilor Adams to approve the verified claims as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

ACKNOWLEDGE MINUTES FOR BOARDS AND COMMISSIONS:

- 3. Reviewed and acknowledged board and commission minutes.

March 27, 2024 Human Rights Commission
April 2, 2024 Arts & Culture Commission

April 10, 2024 Library Board
 April 11, 2024 GREDA
 April 16, 2024 GREDA

CONSENT AGENDA:

4. Consider entering into Advertising Agreements with businesses at Yanmar Arena.
5. Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check
6. Consider adopting a resolution to accept \$2,450.00 cash donations and \$405 in-kind donations to Grand Rapids Police Department from various sources to support Open-Source INternet (OSINT) Training.

Adopted Resolution 24-43

7. Consider request to interview and hire a paid summer intern for the Grand Rapids Police Department.
8. Consider hiring staff for Pokegama Golf Course for the 2024 Golfing Season, make corrections to hourly wage, and discontinue employment relationship with seasonal golf employee.
9. Consider authorizing quotes and awarding a contract to TNT Construction Group for the Rain Garden Inlet Improvements Project
10. Consider the purchase of Service Body Truck Equipment for the Public Works Department
11. Consider approving seasonal liquor license for Grand Rapids Speedway Inc.
12. Consider approval of City Administrator Goals for 2024
13. Consider resolutions approving Use Agreements with GRAHA and SNC.

Adopted Resolutions 24-44 & 24-45

14. Consider accepting the resignation of Roger Mischke from the Pokegama Golf Board
15. Consider approving change order for Yanmar Arena Project
16. Consider approving final payment in the amount of \$36,409.30 for Work Scope 4 on the Civic Center Project
17. Consider accepting the 2023 audited financial reports.
18. Consider approval of seasonal contractors

Motion made by Councilor Adams, Second by Councilor Blake to approve the Consent agenda as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

SET REGULAR AGENDA:

Motion made by Councilor Blake, Second by Councilor Adams to approve the Regular agenda as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

CIVIC CENTER & PARKS:

19. Consider passing a resolution accepting donations from the City of Cohasset and Harris Township for financial assistance with the July 4th Fireworks Display.

Motion made by Councilor Sutherland, Second by Councilor Adams to **adopt Resolution 24-46**, accepting donations to be utilized for the annual 4th of July fireworks display. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

COMMUNITY DEVELOPMENT:

20. Consider the approval of a resolution approving certain lender documents related to the L&M Supply Distribution Center Project

Motion made by Councilor Blake, Second by Councilor Sutherland to **adopt Resolution 24-47**, approving lender documents related to L&M Supply as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Sutherland, Councilor Blake

There being no further business, the meeting adjourned 5:49 PM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk

DATE: 05/22/2024
 TIME: 09:36:52
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 05/28/2024

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
CITY WIDE		
0715808	GOVCONNECTION INC	1,196.55
1915248	SHI INTERNATIONAL CORP	3,104.90
TOTAL CITY WIDE		4,301.45
SPECIAL PROJECTS-NON BUDGETED		
0508450	EHLERS AND ASSOCIATES INC	2,137.50
TOTAL SPECIAL PROJECTS-NON BUDGETED		2,137.50
ADMINISTRATION		
1301020	MADDEN GALANTER HANSEN, LLP	494.50
TOTAL ADMINISTRATION		494.50
BUILDING SAFETY DIVISION		
0118100	VESTIS GROUP, INC	64.86
0221650	BURGGRAF'S ACE HARDWARE	22.96
0401804	DAVIS OIL INC	143.40
1301025	MAKI BODY & GLASS	998.00
1901535	SANDSTROM'S INC	371.30
TOTAL BUILDING SAFETY DIVISION		1,600.52
COMMUNITY DEVELOPMENT		
0401804	DAVIS OIL INC	110.55
TOTAL COMMUNITY DEVELOPMENT		110.55
FINANCE		
1903225	SCENIC RANGE NEWS FORUM	25.00
2018225	TREASURE BAY PRINTING	440.00
TOTAL FINANCE		465.00
FIRE		
0118100	VESTIS GROUP, INC	43.65
0401804	DAVIS OIL INC	148.78
0513231	EMERGENCY APPARATUS	466.82
TOTAL FIRE		659.25

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 05/28/2024

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
PUBLIC WORKS		
0221650	BURGGRAF'S ACE HARDWARE	358.31
0301685	CARQUEST AUTO PARTS	103.77
0315455	COLE HARDWARE INC	148.82
0400720	D&S STUMP GRINDING LLC	1,300.00
0401804	DAVIS OIL INC	778.48
0501650	EARL F ANDERSEN	1,804.45
0601690	FASTENAL COMPANY	689.73
1200500	L&M SUPPLY	178.87
1201730	LATVALA LUMBER COMPANY INC.	146.43
1415544	NORTHLAND PORTABLES	1,655.25
1621125	PUBLIC UTILITIES COMMISSION	16,237.52
1900225	SEH	2,725.00
1911545	SKOGLUND ELECTRIC LLC	135.00
T001419	218 TREE SERVICE LLC	1,200.00
TOTAL PUBLIC WORKS		27,461.63
FLEET MAINTENANCE		
0301685	CARQUEST AUTO PARTS	308.21
0601690	FASTENAL COMPANY	183.07
0914200	INDUSTRIAL LUBRICANT COMPANY	3,762.48
1301720	MATCO TOOLS	858.01
TOTAL FLEET MAINTENANCE		5,111.77
POLICE		
1415048	NORTH COUNTRY VET CLINIC	92.00
1618125	PRAXAIR DISTRIBUTION INC	314.68
1801613	RAPIDS PRINTING	10.30
1903225	SCENIC RANGE NEWS FORUM	25.00
1920233	STREICHER'S INC	694.96
TOTAL POLICE		1,136.94
CENTRAL SCHOOL		
1801555	RAPID PEST CONTROL INC	70.00
1901535	SANDSTROM'S INC	89.14
TOTAL		159.14
AIRPORT		

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 05/28/2024

VENDOR #	NAME	AMOUNT DUE
AIRPORT		
0221650	BURGGRAF'S ACE HARDWARE	85.20
0315455	COLE HARDWARE INC	232.27
0401804	DAVIS OIL INC	143.75
0504500	EDMO DISTRIBUTORS INC	85.99
1301213	MARTIN'S SNOWPLOW & EQUIP	555.03
TOTAL		1,102.24
CIVIC CENTER		
GENERAL ADMINISTRATION		
1911545	SKOGLUND ELECTRIC LLC	135.00
TOTAL GENERAL ADMINISTRATION		135.00
CEMETERY		
0221650	BURGGRAF'S ACE HARDWARE	287.13
0315455	COLE HARDWARE INC	99.97
1200500	L&M SUPPLY	75.48
1415545	NORTHLAND LAWN & SPORT, LLC	89.22
1903554	SCOTT'S AUTO ELECTRIC INC	210.00
1920333	STEPS & STONES	960.00
TOTAL		1,721.80
TIF 1-4 OAKWD TERRACE		
0508450	EHLERS AND ASSOCIATES INC	1,218.75
TOTAL		1,218.75
CAPITAL EQPT REPLACEMENT FUND		
CAPITAL OUTLAY-POLICE		
1920150	STATT LLC	975.00
TOTAL CAPITAL OUTLAY-POLICE		975.00
CIVIC CENTER CAPITAL IMP PJT		
IRA CIVIC CENTER RENOVATION		
0900054	ICS CONSULTING LLC	3,100.00
1801550	RAPID GARAGE DOOR COMPANY INC	17,096.20

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 05/28/2024

VENDOR #	NAME	AMOUNT DUE

CIVIC CENTER CAPITAL IMP PJT	IRA CIVIC CENTER RENOVATION	
	TOTAL IRA CIVIC CENTER RENOVATION	20,196.20
2023	INFRASTRUCTURE BONDS	
CP2015-1	SYLVAN BAY OVR/UTIL	
1900225	SEH	9,700.90
2000522	TNT CONSTRUCTION GROUP, LLC	129,265.99
	TOTAL CP2015-1 SYLVAN BAY OVR/UTIL	138,966.89
2024	INFRASTRUCTURE BONDS	
CP2010-1	3RD AVE NE RECON	
1900225	SEH	42,814.80
2000522	TNT CONSTRUCTION GROUP, LLC	278,896.73
	TOTAL CP2010-1 3RD AVE NE RECON	321,711.53
STORM WATER UTILITY		
0401804	DAVIS OIL INC	83.71
	TOTAL	83.71
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$529,749.37
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0113105	AMAZON CAPITAL SERVICES	219.53
0201356	BRUCE BAIRD	23.00
0205640	LEAGUE OF MN CITIES INS TRUST	386.12
0218755	CHARLES BRUEMMER	23.00
0221680	MATTHEW BUSH	23.00
0305506	CENTRAL BUILDERS	500.00
0305530	CENTURYLINK QC	259.00
0309600	CIRCLE K/HOLIDAY	73.94
0315454	TRAVIS COLE	149.00
0615705	THOMAS FOSS	91.00
0718015	GRAND RAPIDS CITY PAYROLL	299,386.73
0809190	JESSE HIDDE	23.00
0900060	ICTV	14,971.81
0914295	JEFFREY INGLE	485.67
0920055	ITASCA COUNTY RECORDER	46.00
1105230	CHAD KEECH	318.80
1121695	LANCE KUSCHEL	149.00

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 05/28/2024

VENDOR #	NAME	AMOUNT DUE

CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1215250	LOFFLER COMPANIES INC	760.72
1301146	MARCO TECHNOLOGIES, LLC	253.96
1305065	MEDTOX LABORATORIES INC	26.38
1309098	MINNESOTA MN IT SERVICES	460.71
1309162	MN BCA/TRAINING & EDUCATION	600.00
1309335	MINNESOTA REVENUE	13,852.00
1415479	NORTHERN DRUG SCREENING INC	28.00
1621130	P.U.C.	33,325.60
1721095	QUADIANT, INC	1,000.00
1913090	SEAN SMALLEN	925.00
1913344	HEATH SMITH	91.00
1921620	SUPERIOR USA BENEFITS CORP	159.00
2000100	TASC	33.75
2209665	VISA	5,446.05
2209705	VISIT GRAND RAPIDS INC	20,064.98
2301700	WM CORPORATE SERVICES, INC	2,858.34
T001515	ROZANNE & PATRICK CASEY	500.00
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$397,514.09
TOTAL ALL DEPARTMENT		\$927,263.46



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REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider discontinuing the employment relationship with seasonal golf employee.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

At the April 22, 2024, City Council Meeting, City Council approved hiring Perry Kingsbury as a seasonal golf course employee. He will not be filling this role at this time.

REQUESTED COUNCIL ACTION:

Make a motion to end the employment relationship with Perry Kingsbury retro-active to May 1, 2024.



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REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider Removal of Appointment to Part-Time Hospital Security Officer Roster

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

At the November 27, 2023, City Council Meeting, two part-time Hospital Security Officers were appointed to the part-time Hospital Security Officer roster. One of these individuals, Siri Geisler, will not be filling this role.

REQUESTED COUNCIL ACTION:

Make a motion to remove the appointment of Siri Geisler from the part-time Hospital Security Officer roster retroactive to November 27, 2023.



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REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Act on withdrawal of job acceptance from GRPD Police Officer Candidate; Authorize Human Resources to repost, interview, and hire for the open position of Police Officer.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

Joseph O'Toole has withdrawn his job acceptance from the Grand Rapids Police Department.

Due to this withdrawal, GRPD has an open full-time Police Officer position. We are requesting authorization for Human Resources to begin the process of posting, interviewing, and hiring for the open position of Police Officer.

REQUESTED COUNCIL ACTION:

Make a motion to accept the withdrawal of job acceptance from Joseph O'Toole and authorize Human Resources to begin the process of posting, interviewing, and hiring for the open position of Police Officer.



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REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28th, 2024

AGENDA ITEM: Consider entering into an agreement with Yanmar North America

PREPARED BY: Matt Wegwerth

BACKGROUND:

Yanmar Compact Equipment North America Inc. has requested the City of Grand Rapids demonstrate and provide feedback on a Yanmar TL75VS. The attached bailment agreement and non-disclosure agreement are necessary prior to beginning the demo.

This will be at no-cost to the City.

REQUESTED COUNCIL ACTION:

Make a motion entering into a bailment and non-disclosure agreement with Yanmar Compact Equipment North America Inc. for demonstration and customer feedback

BAILMENT AGREEMENT

THIS BAILMENT AGREEMENT (“Agreement”) is effective as of the 08 day of May, 2024 by and between Yanmar Compact Equipment North America, Inc., a Delaware Corporation with principal offices located at 841 Lily Lane, Grand Rapids, Minnesota (“YCENA”) and City of Grand Rapids {MN} (“Bailee”). YCENA hereby agrees to lend from time to time items (“Bailed Property”), which may or may not be listed on a “Bailed Property Detail Form,” a copy of a Bailed Property Detail Form is attached hereto as Exhibit A, to Bailee, for the following purpose: set forth on Exhibit A (the “Purpose”), on the terms and conditions set forth below; the Bailee, in consideration for such bailment, hereby accepts and agrees to such terms and conditions.

1. The term of this Agreement shall commence effective as of the date the Bailed Property is possessed by Bailee and extend until all such Bailed Property has been returned to YCENA as provided in this Agreement; provided, however, that YCENA may terminate the bailment at any time upon written notice to Bailee. If, for any reason, YCENA terminates this Agreement, Bailee hereby agrees that YCENA may, in its discretion, without notice, liability or legal process, enter the premises where the Bailed Property may be and take possession thereof, whether at Bailee’s premises or its supplier(s).
2. At all times, YCENA shall retain full title to and ownership of the Bailed Property. Bailee or its supplier(s), shall have exclusive possession of and control over the Bailed Property, and Bailee shall assume full responsibility and risk of loss for the Bailed Property and its use. Bailee agrees not to remove or allow the removal of the Bailed Property from its premises or at its supplier(s)’ premises without YCENA’s prior written approval.
3. Bailee accepts and will cause its supplier(s) to accept the Bailed Property “AS IS, WHERE IS.” YCENA makes no warranties, express or implied, with respect to the Bailed Property, and YCENA expressly disclaims all warranties, INCLUDING, WITHOUT LIMITATION, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE. Bailee acknowledges and will cause its supplier(s) to acknowledge that YCENA has not made and does not hereby make any representation, warranty, or covenant with respect to the title, merchantability, condition, quality, description, durability, or suitability of the Bailed Property in any respect or in any connection with or for the purposes and uses of Bailee. YCENA hereby assigns to Bailee during the term of this Agreement all of YCENA’s rights under applicable manufacturers’ warranties with respect to the Bailed Property.
4. Bailee shall not assign and will cause its supplier(s) not to assign this Agreement or any interest therein, and Bailee shall not lease, assign, loan or sell and will cause its supplier(s) not to lease, assign, loan or sell any of the Bailed Property or any interest therein, without YCENA’s prior written consent. In addition, Bailee shall keep the Bailed Property free and clear of all liens, claims, and encumbrances during the term of this Agreement. Bailee may not terminate this Agreement unless and until it has returned all Bailed Property as provided in this Agreement. Any such return or termination by Bailee shall not release Bailee from any obligations under any other contract (e.g., supply agreement or purchase order). THE PARTIES ACKNOWLEDGE AND AGREE THAT THE EQUIPMENT IS PROPRIETARY TO YCENA, IT IS PROVIDED AND SUBMITTED TO BAILEE IN COMPLETE CONFIDENCE, AND SHALL BE USED SOLELY FOR THE PURPOSE FOR WHICH IT IS FURNISHED. BAILEE SHALL PROPERLY ADVISE ITS REPRESENTATIVES, AGENTS AND EMPLOYEES OF THE CONFIDENTIAL NATURE AND TREATMENT OF THE EQUIPMENT. THE EQUIPMENT, DETAILS THEREOF, AND ASSOCIATED DESIGN AND MATERIALS SUCH AS ITS USE, CONTENT, CONSTRUCTION, FUNCTION, CHARACTERISTICS, OPERATIONS, AND OPERATING AND MAINTENANCE MANUALS ARE NOT TO BE REPRODUCED, TRANSMITTED, OR DISCLOSED IN WHOLE OR IN PART TO ANY PERSONS OR ENTITIES OUTSIDE OF BAILEE WITHOUT THE PRIOR WRITTEN CONSENT AND AUTHORIZATION OF YCENA. BAILEE WILL COOPERATE BY PROVIDING TO YCENA, UPON REQUEST, ANY OBSERVATIONS REGARDING THE EQUIPMENT BEHAVIOR OR OTHER COMMENTS, INCLUDING, BUT NOT LIMITED TO MAINTENANCE OR ACTIVITY LOGS OR OTHER SIMILAR RECORDS. SPECIFICALLY, BAILEE SHALL NOT ALLOW VISIBILITY, VIEWING, CONTACT WITH OR ACCESS TO THE EQUIPMENT BY ANY THIRD PARTY OR THERMO KING COMPETITORS. NOR SHALL BAILEE REVERSE ENGINEER, OR USE IN THE EQUIPMENT IN ANY OTHER WAY THAN FOR THE PURPOSE HEREOF.

5. Bailee agrees to be solely responsible for the installation of the Bailed Property and for any and all devices necessary for the proper operation and use of the Bailed Property, and shall be responsible for training operators and others as necessary in the proper operation, use, application and maintenance of the Bailed Property. YCENA expressly disclaims any and all responsibility with respect to such matters.
6. Bailee agrees to be solely responsible for proper maintenance and repair of the Bailed Property, and will maintain the Bailed Property in good order and condition, save normal wear and tear. In this regard, Bailee's responsibility will include complete compliance with all manufacturers' instructions regarding maintenance, recall and product improvement. Bailee shall not alter the Bailed Property and shall not affix or connect any accessory Bailed Property or device to the Bailed Property, if such alteration or addition would impair or reduce the value of such Bailed Property or would impair the safe use, operation or application of the Bailed Property. Any such alteration or addition to the Bailed Property shall not affect title or ownership of the Bailed Property and any such alteration or addition shall become the sole property of YCENA.
7. Bailee will use and will cause its supplier(s) to use the Bailed Property exclusively in connection with work performed for YCENA, unless YCENA agrees otherwise in writing.
8. Bailee shall indemnify, defend, save and hold harmless YCENA, its subsidiaries, affiliates, directors, officers, employees, representatives, agents and successors and assigns, from and against any and all claims, demands, losses, suits and judgments and all costs and expenses in connection therewith, including attorneys' fees, arising out of or in any way related to the Bailed Property, this Agreement, or any other property of YCENA provided to Bailee or its supplier(s), even if not identified on a Bailed Property Detail Form and including without limitation, any of the foregoing involving allegations of negligence on the part of YCENA or any theory of YCENA's strict liability in tort.
9. Bailee is required to purchase Property Insurance against all risks of loss to any Bailed Property in Bailee's care, custody or control at full replacement cost with no coinsurance penalty provision. Such coverage will include YCENA as loss payee with respect to all of the Bailed Property in Bailee's care, custody or control. Additionally, Bailee shall maintain Commercial General Liability Insurance (Occurrence Coverage) including products, completed operations and contractual liability coverage of indemnities contained in this Agreement, with a minimum combined single limit of liability of the equivalent of Two Million US Dollars (USD\$2,000,000) per occurrence for bodily injury or death and property damage, throughout the entire term of this Agreement. The limit set forth is a minimum limit and shall not be construed to limit Bailee's liability. All cost and deductible amounts shall be for the sole account of Bailee. All such policies required shall be in such form and with such companies as YCENA shall reasonably approve, shall specify YCENA and Bailee as named insureds, shall be primary, without right of contribution from any other insurance carried by YCENA, shall waive subrogation rights in favor of YCENA and shall provide that such policy may not be canceled or altered so as to affect the interest of YCENA without at least thirty (30) days' prior written notice to YCENA. All policies covering loss or damage to the Bailed Property shall name YCENA as loss payee and shall be payable solely to YCENA. Prior to receipt of the Bailed Property, Bailee shall deliver to YCENA, in form and substance satisfactory to YCENA, evidence of such insurance coverage.
10. Bailee agrees and will cause its supplier(s) to agree to execute any documents as may be required by YCENA to reflect YCENA's ownership of the Bailed Property, including, without limitation, any and all documents and amendments thereof with the applicable government or administrative authorities. While the Bailed Property remains in the possession or control of Bailee or its supplier(s), Bailee shall ensure that at all times the Bailed Property clearly displays signs or markings attached thereto evidencing YCENA's ownership of the Bailed Property.
11. Bailee shall pay all fees, assessments and sales, use, property and other taxes hereafter imposed on the Bailed Property during the term of this Agreement.
12. YCENA shall have the right (but not the obligation) at all reasonable times to inspect the Bailed Property and observe its use. YCENA assumes no responsibility and waives no rights as a result of any such inspection or observation, or decision not to inspect or observe.
13. With the exception of those items that YCENA agrees, in writing, have been worn out or used up in the normal course of use, and with the exception of those items YCENA agrees, in writing, have become obsolete, Bailee agrees at Bailee's expense to return (including removing, crating, loading and delivering) the Bailed Property FCA (Incoterms

2010) to YCENA's facility or another reasonable mutually agreed location, upon either (i) written request of YCENA or (ii) termination of this Agreement.

- 14. When written notice is required by this Agreement, it shall be sent by certified mail, by hand, by courier, or by such method as will permit the sender to verify delivery, to the addresses set forth below:

For YCENA:

YANMAR COMPACT EQUIPMENT
 NORTH AMERICA, INC.
 Attn:
 841 Lily Lane
 Grand Rapids, Minnesota

For Bailee:

City of Grand Rapids
 Attn: City Administrator
 420 N. Pokegama
 Grand Rapids, MN
 55744

Copy to YCENA Legal Department:

Attn: Yanmar Americas Legal Department
 101 International Parkway
 Adairsville, Georgia 30103

Written notice may also be sent by facsimile or electronic mail ("e-mail") to the numbers listed above, but such notice shall not be effective unless the sender receives a return facsimile or e-mail acknowledging receipt of the notice. Notice shall be deemed received when actually delivered to the recipient as demonstrated by postal records. Facsimile or e-mail notice shall be deemed received upon receipt by the sender of an acknowledgment as described. The addresses and transmittal numbers set forth above can be changed only by written notice that complies with the requirements of this section.

- 15. The parties have participated jointly in the negotiation and drafting of this Agreement. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the parties and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any of the provisions of this Agreement.
- 16. This Agreement is the only agreement between the parties with respect to the Bailed Property and it may not be modified, extended, canceled or rescinded except in a writing signed by the parties. This Agreement replaces and supersedes all other agreements between the parties concerning the Bailed Property. Notwithstanding termination, the provisions of this Agreement survive for an additional period to protect the Bailed Property and YCENA's interest therein until such Bailed Property is returned to the YCENA in good working condition, normal wear and tear excepted. For Bailed Property located within the United States, this Agreement shall be construed in accordance with the laws of the State of Minnesota, without regard to the conflict of laws provisions thereof. Each party hereby agrees that the forum and venue for any legal or equitable action or proceeding arising out of, or in connection with, Bailed Property located within the United States, will lie in the United States District Court for the District of Minnesota or the corresponding state courts governing Itasca County, Minnesota, as applicable and each party specifically waives any and all objections to such jurisdiction and venue. For Bailed Property located outside of the United States, this Agreement shall be construed in accordance with the local laws of the province, country or region where the Bailed Property is located, without regard to the conflict of laws provisions thereof. Each party hereby agrees that the forum and venue for any legal or equitable action or proceeding arising out of, or in connection with, Bailed Property located outside of the United States, will lie exclusively in the courts of such province, country or region and each party specifically waives any and all objections to such jurisdiction and venue.

IN WHITNESS WHEREOF, this Agreement is effective as of the date first above written.

YCENA

By: Peter D. Ovrebo

Printed Name: Peter Ovrebo

Title: YCENA Product Management Director

“Bailee”
By: Tom Pagel

Printed Name: Tom Pagel

Title: CITY ADMINISTRATOR

EXHIBIT A
BAILED PROPERTY DETAIL FORM

BAILED PROPERTY:

Yanmar TL75VS-Serial # ASVTL075PR0000054

PURPOSE:

Demonstration and customer feedback

This machine is to be delivered to City of Grand Rapids {MN} with a date of July 26, 2024 for return at this point.

Mutual Confidentiality and Nondisclosure Agreement

This mutual non-disclosure agreement ("NDA") is effective as of the latest date of signature below by and between the following Parties:

Yanmar Compact Equipment North America, Inc. ("YCENA")	City of _____ ("Company") Grand Rapids
840 Lily Lane Grand Rapids, Minnesota 55744 USA	420 N. Pokegama Grand Rapids, MN 55744 (Company Address)

1.0 Purpose and Relationship of Parties.

- 1.1 YCENA and Company may explore or propose certain concepts, development opportunities, or other business arrangements with each other related to Yanmar CTL TL75VS Serial #: ASVTL075PR0000054. This is the "Purpose" for this NDA. To accomplish that Purpose, each Party may provide certain confidential or proprietary information to the other. This NDA protects the confidentiality of that information.
- 1.2 The Parties are independent contractors and are not partners, agents, or employees of each other. This NDA does not create or govern any other relationship between the Parties; among other things, this does not create a teaming, joint venture, partnership, joint development, co-ownership or any other type of relationship or any obligation of any kind to discuss, consider, negotiate toward, or enter into any relationship of any kind in the future, even if the Parties have discussed, proposed, or considered such a relationship at any time. Neither Party bears any obligation to pay anything to the other Party (including reimbursement of costs) or to purchase any products or services due to this NDA.
- 1.3 If, in the future, the Parties elect to enter into a binding commitment regarding the Purpose, such commitment will be explicitly stated in a separate written agreement executed by both Parties, and the Parties hereby affirm that they do not intend their discussions, correspondence, and other activities to be construed as forming a contract regarding the Purpose or any other transaction between them without execution of such separate written agreement. Moreover, neither Party is responsible or liable for any business decisions made or inferences drawn by the other Party in reliance on this NDA or in reliance on actions taken or disclosures made pursuant to this NDA. The Parties also acknowledge that this NDA does not restrict the ability of the Parties to engage in their respective businesses, nor does it limit either Party's use or application of any information or knowledge acquired independently of the other Party without a breach of this NDA in the course of such other Party's business, such that neither this NDA nor the disclosure or receipt of Proprietary Information pursuant this NDA shall be interpreted to preclude a receiving Party from acquiring, developing or commercializing products or technologies comparable to those of the disclosing Party so long as and to the extent that such acquiring, developing or commercializing does not involve any use of or reference to the disclosing Party's Proprietary Information and does not otherwise represent a breach of this NDA.

2.0 Definition of "Proprietary Information."

- 2.1 "Proprietary Information" means the existence or contents of this NDA. It also means confidential information related to the Purpose that one Party discloses to the other or that can be derived from that information or copies of the information, regardless of whether it

is transmitted electronically, orally, visually, or physically. It generally includes information about processes, methods, products, samples, prototypes, equipment, materials, compositions, inventions, discoveries, ideas, concepts, calibration procedures and processes, specifications, know how, business forecasts, strategic initiatives, production costs, pricing (other than list pricing), business and marketing plans, budgets and financial results, employee or contractor lists, business methods or procedures, research and development, technical or engineering information, formulas, designs, blueprints, trade secrets, patent applications, software development tools, pricing, sales data, prospect and customer lists, dealer information, terms of commercial contracts, software, hardware, and other information of a similar nature, whether or not patentable or copyrightable, whether disclosed orally, electronically or in tangible form, provided that, if disclosed orally, the occurrence and content of the disclosure can be substantiated by other written or electronic records created within thirty (30) calendar days of the original disclosure.

2.2 *In addition to the materials described in Section 2.1*, "Proprietary Information" also includes anything that a Party clearly and conspicuously designates in writing as "Proprietary" or "Confidential." Information that can only be read by machine must include the "Proprietary" or "Confidential" designation in conspicuous, human readable, format. Unwritten material (other than that listed in Section 2.1) becomes Proprietary Information only if the disclosing Party designates the information as Proprietary Information at the time of disclosure and then notifies the receiving Party in writing within thirty (30) days of the disclosure that the designated, specific information constitutes Proprietary Information. However, in case of failure to identify, designate, label or mark tangible information or to provide a summary of oral or tangible information, such information shall be deemed to be Proprietary Information provided it is obviously of a confidential nature.

2.3 Regardless of anything in Section 2.1 or 2.2, and regardless of whether or when the receiving Party asserts any of the following exceptions to the disclosing Party, the following information is not Proprietary Information if:

- 2.3.1 The receiving Party demonstrates it possessed it before receiving it from the disclosing Party, free of any obligation to keep it confidential, as evidenced by records that were in existence prior to that first disclosure.
- 2.3.2 It is available publicly through no wrongful act of the receiving Party ("available publicly" includes, for example, any information a receiving Party learns in a setting such as a tradeshow or product demonstration).
- 2.3.3 The receiving Party received the information through a source other than the disclosing Party, whose disclosure to the receiving Party is unrestricted and does not violate any confidentiality obligation, and through no wrongful act of the receiving Party.
- 2.3.4 The receiving Party independently develops the information by or on behalf of the receiving Party, independent of any Proprietary Information disclosed under this NDA, as evidenced by records kept in the ordinary course of business.
- 2.3.5 Any combination of these exceptions applies.

3.0 **Duties to protect Proprietary Information.**

- 3.1 Each Party must use Proprietary Information only in good faith furtherance of the Purpose and not for any other reason.
- 3.2 Each Party must keep Proprietary Information confidential and disclose to its own

workforce and group company affiliates, including bona fide professional legal and financial external advisors (“Authorized Representatives”), only on a “need to know” basis, and require all such Authorized Representatives to whom Proprietary Information is disclosed to abide by the terms of this NDA or another enforceable written agreement with confidentiality and use restrictions and applicable to the Proprietary Information that are no less restrictive and no shorter in duration than those of this NDA. No Party may disclose Proprietary Information to any third party except as may be explicitly permitted by this NDA or as explicitly permitted in writing by the disclosing Party from time to time.

3.3 No Party may use Proprietary Information in ways that compete with the disclosing Party.

3.4 The Parties shall not copy or distribute Proprietary Information or knowingly allow anyone else to copy or distribute such Proprietary Information, except to the extent necessary for the Purpose. Each Party must carefully limit the number of copies of Proprietary Information to the least feasible number of copies, whether those copies are electronic or in another format. All copies must retain any restrictive legends identifying the information as Proprietary Information.

3.5 A Party may disclose Proprietary Information pursuant to bona fide government demands (including judicial, agency, regulatory, and Congressional demands) but only after first notifying the disclosing Party (unless prohibited by law) in writing and permitting the disclosing Party (at its own expense) a reasonable time to object to the disclosure and either limit the disclosure or negotiate appropriate safeguards with the government entity. If, in the absence of a protective order, the receiving Party determines, upon the advice of counsel, that it is required to disclose such information, it may disclose only Proprietary Information specifically required and only to the extent compelled to do so.

3.6 The receiving Party agrees not to alter, modify, disassemble, reverse engineer, make derivative works of, decompile, or otherwise use any of the Proprietary Information, all except to the extent expressly permitted in writing and in advance by the disclosing Party.

3.7 In the event a receiving Party discovers that it or its representatives have disclosed or used the other Party's Proprietary Information in any manner contrary to this Section 3 of this NDA (a “Violation”), the respective receiving Party shall notify the disclosing Party immediately and use its reasonable best efforts to retrieve wrongfully disclosed Proprietary Information and otherwise remedy the Violation and mitigate the risk of further damage from the Violation.

3.8 In complying with these requirements, each Party must protect Proprietary Information with at least the same degree of care it uses for its own confidential or highly sensitive information. In no event may this standard of care be less than a commercially reasonable standard.

4.0 Term and Termination.

4.1 This NDA begins on the Effective Date and governs all Proprietary Information disclosed within the five (5) years after the Effective Date, unless terminated early (“Term”), and extending beyond if during that Term, the Parties enter into any separate written agreement for the provision of products or services by Company or its affiliates or subsidiaries to YCENA or its affiliates or subsidiaries in relation to the Purpose, in which case the Term shall automatically be extended throughout the term of that

separate written agreement, unless such separate written agreement expressly supersedes this NDA.

Either Party may terminate this NDA at no cost or expense by (a) providing sixty (60) days' written notice to the other Party and (b) returning or destroying all Proprietary Information as provided below. Termination of this NDA does not affect any rights or obligations of either Party as to Proprietary Information that was disclosed during the Term.

- 4.2 Irrespective of termination of this NDA, each Party must continue meeting the requirements of Section 3 of this NDA and otherwise generally protect each piece of Proprietary Information until the materials no longer constitute Proprietary Information; this may or may not ever occur. Each Party's rights and obligations under this NDA survive for that time period as to any Proprietary Information held by the Parties after this NDA expires or terminates.

5.0 Return or Destruction.

- 5.1 Neither Party may use the Proprietary Information after termination of the NDA unless otherwise agreed to in writing.

- 5.2 Upon the termination of this NDA or request of the disclosing Party, the receiving Party must immediately make good faith, commercially reasonable efforts to return or destroy any of the other Party's Proprietary Information it possesses and confirm in writing within thirty (30) days of such request, that it has taken those steps upon the other Party's reasonable written demand for destruction and confirmation and certify to the disclosing Party the Proprietary Information has been destroyed or erased.

- 5.3 Each Party is permitted to retain an archive copy of Proprietary Information in a secure area of its legal department, but that Proprietary Information must not be used for any purpose other than providing legal advice regarding this NDA or the Purpose.

- 5.4 Each Party is permitted to retain electronic back-up copies of the Proprietary Information but only to the extent that it is technologically infeasible to destroy the electronic copies or access to the Proprietary Information is limited to IT professionals with a need to access the Proprietary Information as part of their general duties and no further use is made of any Proprietary Information, provided that the receiving Party shall have a continuing obligation to maintain its confidentiality obligations and other restrictions protecting confidentiality and non-use for any information retained under this Section 5, for so long as that information is retained and thereafter for a period of five (5) years. Any Proprietary Information retained shall be held subject to the obligations of this NDA.

6.0 Ownership, License, Warranties.

- 6.1 The disclosing Party (and its licensors) retains all ownership and all other rights to the Proprietary Information. Nonetheless, each Party hereby confirms that it has such rights in and to its Proprietary Information as is necessary for disclosure to the receiving Party. No license of any kind to use any of the Proprietary

Information is expressed or implied by this NDA (whether by implication, estoppel, or otherwise), under any patents, copyrights, trade secrets, trademarks, mask works or any other intellectual property rights.

6.2 Each Party warrants that it has the right to disclose any Proprietary Information it discloses under this NDA, but each Party disclaims any warranty or representation regarding the accuracy, completeness, freedom from defects, or freedom from infringement on other intellectual property rights of others. Each Party disclaims any liability to the other Party based on any use or reliance on the Proprietary Information.

7.0 Non-Solicitation of Customers.

7.1 Neither Party is permitted to solicit, recruit, or similarly engage with any of the other Party's customers to the extent they were reasonably identified in any Proprietary Information. However, this provision does not apply to general market solicitations that the Party demonstrates were not influenced by Proprietary Information.

8.0 Publicity.

8.1 Neither Party may make public announcements regarding this NDA or its relationship with the other Party. Neither Party may use the other Party's trademarks or trade names (including contraction, abbreviation, or similar reference) that are owned by the other Party or any of its worldwide subsidiaries or affiliates.

9.0 Indemnification and Equitable Relief.

9.1 Each Party must indemnify the other Party against the other Party's actual, reasonable, direct, and indirect damages arising from the indemnifying Party's breach of this NDA. These damages include attorney's fees and costs of litigation.

9.2 Without limiting these indemnification rights or any other rights available at law, either Party may seek and enforce equitable relief, including injunctive relief, specific performance, or both, if the other Party breaches or threatens to breach this NDA; because each Party agrees that the damages caused by a breach of this NDA would be irreparable, each Party agrees that this equitable relief applies without the need to demonstrate damages or to post bond.

10.0 Miscellaneous.

10.1 This NDA is governed solely by Delaware law, without regard to any conflict of laws provisions that would require the application of the law of any other jurisdiction. In the event of any legal proceedings between the Parties for the enforcement of this NDA, whether at law or in equity, the reasonable costs and expenses incurred by the prevailing Party and its representatives in connection with such proceedings, including attorney fees and disbursements, shall be reimbursed by the non-prevailing Party. Provided, however, any attorney fee awarded must be based on actual, necessary hours of legal work and a reasonable hourly rate measured by then-prevailing rates in the applicable location, and no percentage or contingency fee can be awarded. Except with regard to governing law and venue if the Parties have a controversy, dispute or difference arising out of this NDA, nothing herein is intended to limit or

abridge the protection of trade secrets under applicable trade secrets law, and trade secrets shall be maintained as such until they fall into the public domain, despite any sooner termination of this NDA or any of its obligations. The Parties waive all rights to jury trials. If the Parties have a controversy, dispute or difference arising out of this NDA, Company may only initiate litigation in the Federal District Court for the District that corresponds to YCENA Holdings, Inc.'s principal U.S. office address as set forth in this NDA or, if such courts lack subject matter jurisdiction, in any other courts of the State and County of such address, and YCENA may only initiate litigation in the Federal District Court for the District that corresponds to Company's principal U.S. office address as set forth in this NDA or, if such courts lack subject matter jurisdiction, in any other courts of the State and County of such address. The Parties submit to the jurisdiction of said courts and waive any defense involving arguments that the forum is inconvenient. Notwithstanding the foregoing, the Parties further agree that, in any litigation initiated in a venue in compliance with the foregoing two sentences, the other Party (i.e., the Party that did not initiate such litigation) may thereafter initiate defenses, related counterclaims and the like in the same litigation, and recognizing that any appeal proceedings from a lower decision may be asserted in any court having appellate jurisdiction.

- 10.2 Neither Party may assign this NDA without the other Party's consent, except that either Party may assign this entire NDA without consent to one of its Affiliates or as part of a merger, acquisition, reorganization, or sale of substantially all of the assets of the business to which the Purpose relates, if and only if each of the following conditions are met: (i) the Party making such an assignment ("Assignor") notifies the other Party in writing of such an assignment within thirty calendar days thereafter; (ii) the party to whom this NDA is being assigned ("Assignee") is not, and is not an Affiliate of, a direct competitor of the other Party to this NDA; and (iii) prior to the assignment, the Assignee does not have, and is not an Affiliate of a third party that has, contractual relations as a customer or supplier of that other Party to this NDA. Any purported assignment or transfer contrary to the provisions of this paragraph shall be void *ab initio*. For purposes of this paragraph, an "Affiliate" of an entity shall mean a company or person that directly or indirectly owns, or is directly or indirectly owned by or commonly owned with, that entity. If it is properly assigned, it binds and inures to the benefit of the successors and assigns.
- 10.3 Neither Party's waiver of a right or any breach of this NDA constitutes a waiver of any other right or breach of this NDA.
- 10.4 If any provision of this NDA is deemed unenforceable, the remaining provisions continue in full effect and the unenforceable provisions are enforced to their maximum extent to give effect to the purposes of this NDA.
- 10.5 This NDA constitutes the full agreement of the Parties regarding the use or disclosure of Proprietary Information. It merges any prior discussions or

writings between the Parties on this subject. This NDA's protection of any Proprietary Information exchanged during the Term survives any future agreements between the Parties (if any) such as sales agreements or other commercial relationships, regardless of their merger clauses or other boilerplate provisions that generally disclaim prior agreements between the Parties. This NDA's protections may only be extinguished by explicit intent to do so, evidenced by specific written reference to this NDA in a document signed by both Parties.

- 10.6 A reference to either Party includes its relevant affiliates and subsidiaries.
- 10.7 Each Party must comply with all relevant laws in performing its duties under this NDA. Among other things, both Parties must comply with laws regulating the export of software and other technology and with laws regulating use and disclosure of confidential information in any relevant securities marketplace.
- 10.8 Any notice required or permitted by this NDA will be in writing and will be delivered as follows, with notice deemed given as indicated: (a) by personal delivery, when delivered personally, (b) by overnight courier, upon written verification of delivery by the courier, (c) by facsimile transmission, upon acknowledgment of receipt of electronic transmission, or (d) by certified or registered mail, return receipt requested, upon verification of receipt. Notice will be sent to the addresses set forth above or to such other address as either Party may provide in writing for purposes of notice under this NDA.

**Yanmar Compact Equipment
North America, Inc.**

Company

Peter D. Ovrebo

Signature

Peter D. Ovrebo

Name

Director of Prod Mgmt

Title

5/8/2024

Date

[Handwritten Signature]

Signature

Tom Pagel

Name

CAT ADMINISTRATOR

Title

5/16/24

Date



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider reviewing and approving updates to Data Access Policy

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Minnesota State Statute 13.025 Government Entity Obligation, subd. 2 Public data access policy requires the responsible authority to prepare a written data access policy and update it no later than August 1 of each year. The policy for City of Grand Rapids is attached for your review. Currently, there are no changes pending.

REQUESTED COUNCIL ACTION:

Make a motion to review and approve annual data access policy as required by Minnesota State Statute.

City of Grand Rapids Data Access Procedures

Introduction

These procedures are adopted to comply with the requirements of the Minnesota Government Data Practices Act (the “Act”), specifically MN stat. Sec. 13.03, Subd. 2 and 13.05, Subd. 5 and 8.

The Minnesota Data Practices Act establishes a system for compilation and distribution of data gathered by government agencies. All data collected and maintained by the City of Grand Rapids (“City”) are presumed public and are accessible to the public for both inspection and copying, unless classified as Private, Confidential, Nonpublic or Protected Nonpublic in accordance with federal law, state statute or a temporary classification.

Required Officials

Responsible Authority

The person designated by the City Council as the Responsible Authority is Kimberly Gibeau, City Clerk. The Responsible Authority is responsible for collection, use, and dissemination of any set of data. The Responsible Authority has designated certain other City employees to assist in complying with the Act. These designees are as follows:

- Police Chief for police records
- IT Systems Administrator for electronic data storage
- City Clerk for official records

Other positions responsible for maintenance of City records are as apparent or assigned.

Compliance Officer

The person designated by the Responsible Authority as the Compliance Officer is Tom Pagel, City Administrator. This is to whom questions regarding problems in obtaining access to data may be directed.

Categories of Data

All government data falls into one of three categories:

Data on Individuals	Data on Decedents	Data not on Individuals	Meaning of Classification
Public <i>MS §13.02, subd. 15</i>	Public <i>MS §13.02, subd. 15</i>	Public <i>MS §13.02, subd. 4</i>	Available to anyone for any reason
Private <i>MS §13.02, subd. 12</i>	Private <i>MS §13.10, subd. 1B</i>	Nonpublic <i>MS §13.02, subd. 9</i>	Available only to the data subject and to anyone authorized by the data subject or by law to see it
Confidential <i>MS §13.02, subd. 3</i>	Confidential <i>MS §13.10, subd. 1A</i>	Protected Nonpublic <i>MS §13.02, subd. 13</i>	Not available to the public or to the data subject

Before responding to any request, the Responsible Authority must determine the classification in which the requested data falls by consulting the Act or the appropriate statute. Requests for data determined not to be public, must be approved by the Responsible Authority.

Access to Data

All requests to examine data and for copies, can be oral or in writing. Depending upon the complexity of the request and/or data, the City may require that the request be in writing. All requests to see or copy private or confidential information must be in writing on a *City of Grand Rapids Data Request Form*. See Exhibit A, Data Request Form. Requests for government data shall be made to the Responsible Authority or her/his designee. Data requests may be submitted by mail addressed to: City of Grand Rapids, Administration Department, 420 North Pokegama Ave, Grand Rapids, MN 55744. Mailed requests will be treated as made on the date the request is received. A mailed request must be signed and notarized if the requested data is not public and the requestor wishes to have copies mailed without appearing in person to verify identity. Payment for the cost of mailing and cost of copies is to be made by the requestor prior to mailing of the copies.

All requests to inspect data will be limited to normal business hours of the City.

Employees and the requesting public should be aware that government records are maintained by certain functional classifications depending upon the purpose and use of the data. Staff will make an effort to facilitate the identification of the appropriate records, but their collection for review may go beyond their normal scope of work. If a request for public information is of such a nature or volume as to go beyond the reasonable scope of work, the Responsible Authority may determine the earliest possible date for production. The requestor has the **option** of calling to check on availability or of leaving a telephone number to be called with information on availability.

Examination of private or non-public government data is available without charge to:

- the subject of the data,
- a parent of a juvenile data subject unless the juvenile requests this denial or evidence is presented, such as state law, court order, or other legally binding document, which prohibits this right,
- persons with the City whose work assignment reasonably requires access,
- agencies authorized by state or federal law; and
- agencies or individuals who have the express written consent of the subject of the data. This consent must be on the form attached as Exhibit B, or a form reasonably similar.

In the instance when request for private data on an individual is made by a person with an informed consent for release, the identity of the requestor will be verified, the release will be reviewed to determine that the form complies with the requirements of MN Statute 13.05, Subd 4(d) and the data subject may be contacted to verify that informed consent was given.

Any person may request from the Responsible Authority or designee an explanation of the factual content and meaning of the data which has been received or inspected. Employees are not able to interpret policy decisions of legislative bodies. They may only provide minutes, resolutions and other factual documentation of such decisions.

Juvenile Records

A parent has the right to sign a consent for release of data concerning the parent's minor child. A minor child who has sufficient mental capacity to make a decision which reflects an appreciation of the consequences may give informed consent by signing a consent for release of data concerning the minor child without a parent's signature.

The following applies to *private* (not confidential) data about people under the age of 18.

- **Parental Access.** In addition to the people listed above who may have access to private data, a parent may have access to private information about a juvenile data subject. The parent is presumed to have this right unless the Responsible Authority or designee has been given evidence that there is a state law, court order, or other legally binding document which prohibits this right.
- **Notice to Juvenile.** Before requesting private data from juveniles, city personnel must notify the juveniles that they may request that the information not be given to their parent(s). This notice should be in the form attached as Exhibit C.
- **Denial of Parental Access.** The Responsible Authority or designee may deny parental access to private data when the juvenile requests this denial and the Responsible Authority or designee determines that withholding the data would be in the best interest of the juvenile. In determining the best interest of the juvenile, the Responsible Authority or designee will consider:
 - Whether the juvenile is of sufficient age and maturity to explain the reasons and understand the consequences,
 - Whether denying access may protect the juvenile from physical or emotional harm
 - Whether there is reasonable grounds to support the juvenile's reasons, and

- Whether the data concerns medical, dental, or other health services provided under MN statutes §144.341 to 144.347. If so, the data may be released only if failure to inform the parent would seriously jeopardize the health of the minor.

The Responsible Authority or designee may also deny parental access without a request from the juvenile under MN Statutes §144.335.

Summary Data

Summary data is statistical records and reports derived from data on individuals but which does not identify an individual by name or any other characteristics that could uniquely identify an individual. Summary data derived from private or confidential data is public. The Responsible Authority or designee will prepare summary data upon request, if the request is in writing and the requesting party pays for the cost of preparation. The Responsible Authority or designee must notify the requesting party about the estimated costs and collect those costs before preparing or supplying the summary data. This should be done within 10 days after receiving the request. If the summary data cannot be prepared within 10 days, the Responsible Authority must notify the requestor of the anticipated time schedule and reasons for the delay.

Pursuant to MN statute §13.05, subd. 7, the Responsible Authority may ask an outside agency or person to prepare the summary data if (1) the specific purpose is given in writing, (2) the agency or person agrees not to disclose the private or confidential data, and (3) the Responsible Authority determines that access by this outside agency or person will not compromise the privacy of the private and confidential data. If requested summary data cannot be provided without compromising not public data, the requestor will be informed in writing of the reason for denial of the request.

Fees

In general, individuals have the right to look at any public data at no charge. Fees may be charged only if the requesting person asks for a copy or electronic transmittal of the data, which can be reviewed by the requester prior to deciding if copies are necessary. Fees will be charged according to the City's standard fee schedule. All reasonable effort will be made to determine the actual costs of searching for, retrieving, copying and, where applicable, certifying the data. The City will not charge any fee that is more than the demonstrated cost of allowable expenses.

Multiple Smaller Requests: The City will only charge for requests that exceed \$20.00. The City may consider multiple requests by an individual or organization within 60 days as a single request.

Individuals requesting data about themselves: The City may only charge for actual cost of an employee to make paper copies or print copies of electronically stored data and not for time spent searching and retrieving that data.

Media or other government requests: Requests made by the media or other government agencies will generally not be assessed a fee, unless the request requires the data to be reformatted in a manner other than the way the City maintains it.

Data Charges may include:

- Cost of media (Paper, CD ROMS, DVDs, Flash Drives, etc.)
- Mailing Costs
- Employee time to prepare media (see standard hourly rate)
- Costs of reproduction that cannot be done by the entity, such as photographs, oversized materials, etc.
- Employee time to search for and retrieve the data (this charge does not apply if you are the subject of the data.)

Requester will not be charged for:

- Employee time to redact or separate from not public data
- Operating expenses of office equipment
- Costs not related to preparing media, such as generating invoices or cover sheets
- Sales tax
- Accounting functions
- Costs related to the inspection of data

The following laws govern charges of the City specific to Data Access:

- Minnesota Statutes 13.03
- Minnesota Rules, 1205.0300, Subpart 4

Rights of Data Subjects

An individual asked to supply private or confidential data concerning him/her will be given a *Tennessee* warning which will inform them of:

- the purpose and intended use of the requested data,
- whether h/she may refuse or is legally required to supply the requested data,
- any known consequences from supplying or refusing to supply the information, and
- the identity of other persons or entities authorized by state or federal law to receive the data.

A Tennessee warning is not required when an individual is requested to supply investigative data to a law enforcement officer. A Tennessee warning may be on a separate form or may be incorporated into the form which requests the private or confidential data.

Data Protection

A. Accuracy and Currency of Data

- All employees will be requested to provide updated personal information to the appropriate supervisor, which is necessary for tax, insurance, emergency notifications, and other personnel purposes. Other people who provide confidential information will also be encouraged to provide updated information when appropriate.
- All records must be disposed of according to the City's records retention schedule.

B. Data Safeguards

- Private and confidential information will be stored in files or databases which are not readily accessible to individuals who do not have authorized access and which will be secured during hours when the offices are closed.
- Private and confidential data must be kept only in City offices, except when necessary for City business.
- Only those employees whose job responsibilities require them to have access will be allowed access to files and records that contain private and confidential information. These employees will be instructed to:
 - not discuss, disclose or otherwise release private or confidential data to City employees whose jobs responsibilities do not require access to the data,
 - not leave private or confidential data where non-authorized individuals might see it, and
 - shred private or confidential data before discarding, or dispose through confidential locked recycling.

* When a contract with an outside party requires access to private or confidential information, the contracting party will be required to use and disseminate the information consistent with the Act.

Challenge to Data Accuracy

An individual who is the subject of public or private data may contest the accuracy or completeness of that data maintained by the City. The individual must notify the City's Responsible Authority in writing describing the nature of the disagreement. Within 30 days,

the Responsible Authority or designee must respond and either (1) correct the data found to be inaccurate or incomplete and attempt to notify past recipients of inaccurate or incomplete data, including recipients named by the individual, or (2) notify the individual that it is believed that the data is correct.

An individual who is dissatisfied with the responsible authority's action may appeal to the Commissioner of the Minnesota Department of Administration, using the contested case procedures under MN Statutes Chapter 14. The Responsible Authority will correct any data if so ordered by the Commissioner.

Denial of Access

If the Responsible Authority or designee determines that the requested data is not accessible to the requesting party, the Responsible Authority or designee must inform the requesting party orally at the time of the request or in writing as soon after that as possible. The Responsible Authority or designee must give the specific legal authority including statutory section, for withholding the data. The Responsible Authority or designee must place an oral denial in writing upon request. This must also include the specific legal authority for the denial.

City of Grand Rapids Data Request Form

A. Completed by the requestor. If applicable, also attach copy of consent for release of data.

Requestor Name: (required if requesting not public data)	Date of Request:
Address: (optional for notification/mailling purposes)	Phone Number: (optional, for notification purposes)
Description of the information requested: (attach additional sheets if necessary)	

B. Signature: If form is mailed and includes a request for data that is not public, sign this form and have your signature notarized.

Signed:
Acknowledged before me this _____ day of _____, 20_____.
_____ NOTARY PUBLIC

C. Completed by Department

Department Name:	Handled by:
Information Classified as: <input type="checkbox"/> Public <input type="checkbox"/> Private <input type="checkbox"/> Confidential <input type="checkbox"/> Non-public <input type="checkbox"/> Protected non-public	Action: <input type="checkbox"/> Approved <input type="checkbox"/> Approved in part (Explain below) <input type="checkbox"/> Denied (Explain below)
Remarks or basis for denial including statue section:	
Charges: <input type="checkbox"/> None <input type="checkbox"/> Photocopy _____ Pages X _____ cents = _____ <input type="checkbox"/> Special Rate: _____ (attach explanation) <input type="checkbox"/> Other: _____ (attach explanation)	Identity verified for Private information: <input type="checkbox"/> Identification: Driver’s license, state ID, etc. <input type="checkbox"/> Comparison with signature on file <input type="checkbox"/> Personal knowledge <input type="checkbox"/> Other: _____
Authorized Signature:	Date:

CONSENT TO RELEASE PRIVATE DATA

I, _____, authorize the City of Grand Rapids to release and provide copies the following private data about me:

to the following person or people:

The person or people receiving the private data may use it only for the following purpose or purposes:

This authorization is dated _____ and expires on _____

The expiration cannot exceed one year from the date of the authorization, except in the case of authorizations given in connection with applications for life insurance or non-cancelable or guaranteed renewable health insurance and identified as such, two years after the date of the policy.

I understand that information about me is protected under the Minnesota Government Data Practices Act, M.S. Chapter 13, and cannot be disclosed without my written consent unless otherwise provided for by state or federal law. I also understand that I may revoke this consent at any time and that this consent expires as specified, or if not specified, within one year of the date of my signature below.

Signature: _____

Date: _____

IDENTITY VERIFIED BY:

- Witness: X _____
- Identification: Driver's License, State ID, Passport, other: _____
- Comparison with signature on file
- Other: _____

Notice to Persons Under Age 18

Some of the information you are asked to provide is classified as private under state law. You have the right to request that some or all of the information not be given to one or both of your parents/legal guardians. Please complete the form below if you wish to have information withheld.

Your request does not automatically mean that the information will be withheld. State law requires the City to determine if honoring the request would be in your best interest. The City is required to consider:

- Whether you are of sufficient age and maturity to explain the reasons and understand the consequences,
- Whether denying access may protect you from physical or emotional harm,
- Whether there is reasonable grounds to support your reasons, and
- Whether the data concern medical, dental, or other health service provided under Minnesota Statutes Sections 144.341 to 144.347. If so, the data may be released only if failure to inform the parent would seriously jeopardize your health.

NOTICE GIVEN TO: _____

DATE: _____

BY: _____

(NAME)

(TITLE)

REQUEST TO WITHHOLD INFORMATION

I request that the following information: _____

Be withheld from: _____

For these reasons: _____

Date: _____

Printed Name: _____

Signature: _____



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28th, 2024

AGENDA ITEM: Consider adopting a resolution establishing a variance for utility connections along County Road 63

PREPARED BY: Matt Wegwerth

BACKGROUND:

The City recently installed sanitary sewer and watermain along the north side of County Road 63 with the Industrial Park Utilities project. Grand Rapids City Ordinance, Section 30-560, requires properties within 150 feet of public sewer, connect to said sewer within 90 days of notification of the City. In the past with new utility extensions, the Council has passed a variance allowing the delayed hookup until one of the following occurs:

- a. The property owners existing septic system or water well becomes non-compliant or has failed; or
- b. Within one year after the property has been transferred to another owner regardless of condition of the existing septic system or water well if there is an existing structure on the property; or
- c. When a vacant lot is developed

City staff are recommending adoption of the attached variance for utility connection.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution establishing a variance for utility connections along County Road 63 and record against affected properties.

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-__

ESTABLISH A VARIANCE FOR UTILITIES ALONG COUNTY ROAD 63

WHEREAS, the City of Grand Rapids owns and maintains sanitary sewer and watermain located along the north side of County Road 63 between Highway 2 and the city limits;

WHEREAS, the City of Grand Rapids City Ordinance, Section 30-560, requires properties within 150 feet of public sewer, connect to said sewer within 90 days of notification of the City of Grand Rapids;

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Minnesota authorizes the following:

1. The properties identified on Exhibit A, shall connect to the City of Grand Rapids sanitary sewer or water main when one of the actions occur:
 - a. The property owners existing septic system or water well becomes non-compliant or has failed; or
 - b. Within one year after the property has been transferred to another owner regardless of condition of the existing septic system or water well if there is an existing structure on the property; or
 - c. When a vacant lot is developed
2. This resolution shall be recorded on each of the properties at the Itasca County Recorder's Office.

EXHIBIT A

The following properties shall be governed by the City of Grand Rapids Resolution 24-__

Property Owner	Pin
Darrin B & Holli S. Busching	91-018-3402
Glorvigen & Glorvigen LLC	91-018-3302
Glorvigen & Glorvigen LLC	91-018-3305
Harley & Ellen Edvenson	91-018-3304
Hawkinson Construction Properties	91-018-3303
Hammerlund Properties LLC	91-019-2205
A&T Holdings LLC	91-019-2204

Approved by the City Council of the City of Grand Rapids this 28th day of May, 2024.

Tasha Connelly, Mayor

ATTEST:

Kim Johnson-Gibeau, City Clerk



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

ENGINEERING DEPARTMENT

420 NORTH POKEGAMA AVENUE, GRAND RAPIDS, MINNESOTA 55744-2662

May 20th, 2024

RE: County Road 63 Utilities

Dear Grand Rapids Resident,

With the Industrial Park Utility project, sanitary sewer and watermain were extended along the north side of County Road 63, between Highway 2 and the City limits adjacent to your property. Grand Rapids City Ordinance 30-560 requires properties within 150 feet of public sanitary sewer to connect to said sewer within 90 days of notification from the City. In lieu of enforcing this requirement, the City Council will be considering a variance at the May 28th, 2024 council meeting that will waive the connection requirement until one of the following actions occurs:

- a. The property owners existing septic system or water well becomes non-compliant or has failed; or
- b. Within one year after the property has been transferred to another owner regardless of condition of the existing septic system or well if there is an existing structure on the property; or
- c. When a vacant lot is developed

If passed by the City Council, this variance will be recorded against your property for documentation. Attached is a copy of the variance for reference.

If you have any questions regarding this variance or the connection requirements, feel free to contact me by phone: 218-326-7625 or email: mwegwerth@grandrapidsmn.gov

Regards,

Matt Wegwerth, PE
 Public Works Director / City Engineer

Council member _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 24-__

ESTABLISH A VARIANCE FOR UTILITIES ALONG COUNTY ROAD 63

WHEREAS, the City of Grand Rapids owns and maintains sanitary sewer and watermain located along the north side of County Road 63 between Highway 2 and the city limits;

WHEREAS, the City of Grand Rapids City Ordinance, Section 30-560, requires properties within 150 feet of public sewer, connect to said sewer within 90 days of notification of the City of Grand Rapids;

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Minnesota authorizes the following:

- 1. The properties identified on Exhibit A, shall connect to the City of Grand Rapids sanitary sewer or water main when one of the actions occur:
 - a. The property owners existing septic system or water well becomes non-compliant or has failed; or
 - b. Within one year after the property has been transferred to another owner regardless of condition of the existing septic system or water well if there is an existing structure on the property; or
 - c. When a vacant lot is developed
- 2. This resolution shall be recorded on each of the properties at the Itasca County Recorder's Office.

EXHIBIT A

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Harley & Ellen Edvenson	91-018-3304
Hawkinson Construction Properties	91-018-3303
Hammerlund Properties LLC	91-019-2205
A&T Holdings LLC	91-019-2204

Approved by the City Council of the City of Grand Rapids this 28th day of May, 2024.

Tasha Connelly, Mayor

ATTEST:

Kim Johnson-Gibeau, City Clerk

EXHIBIT A

The following properties shall be governed by City of Grand Rapids Resolution 24-XX

PIN	Property Owner	Property Description
91-018-3402	Darrin B & Holli S Busching	LOT 4 LYG SW OF RY AND NW OF CO RD, TOWNSHIP 55N, RANGE 25W, SECTION 18, ITASCA COUNTY, MINNESOTA
91-018-3302	Glorvigen & Glorvigen LLC	ALL THAT PT OF LOT 5, LYG N OF ITASCA CTY RD 63 & LYG ELY OF THE FOLLOWING DESC LINE: COMM AT SW CORNER OF SAID LOT 5; TH ON AN ASSUMED BEARING OF E, ALG S LINE THEREOF, A DIST OF 1187.13' TO POB OF THE LINE HEREIN DESCRIBED; THE N 00 DEG 55' 27" W 346'; MORE OR LESS, TO SLY SHORELINE OF THE MISSISSIPPI RIVER & THERE TERMINATING, TOWNSHIP 55N RANGE 25W SECTION 18, ITASCA COUNTY, MINNESOTA
91-018-3305	Glorvigen & Glorvigen LLC	W 150' OF REV DESC 1 OF LOT 5, TOWNSHIP 55N RANGE 25W SECTION 18, ITASCA COUNTY, MINNESOTA
91-018-3304	Harley & Ellen Edverson	REV DESC 2 OF LOT 5, TOWNSHIP 55N RANGE 25W SECTION 18, ITASCA COUNTY, MINNESOTA
91-018-3303	Hawkinson Construction Properties	W 1320' OF GOVT LOT 5, LESS REV DESC 1; AND LESS THAT PT OF GOVT LOT 5 LYG NWLY OF FOLL LINE: COMM AT SW COR OF SAID LOT 5; TH N00°18'03"W ASSIGNED BEARING ALG W LINE OF LOT 5 A DIST OF 695.37' TO POB; TH N17°23'46"E 229' MORE OR LESS TO S/L OF MISSISSIPPI RIVER AND THERE TERM, TOWNSHIP 55N RANGE 25W SECTION 18, ITASCA COUNTY, MINNESOTA

<p>91-019-2205</p>	<p>Hammerlund Properties LLC</p>	<p>THAT PT OF LOT 3 DESC AS FOLL: COMM AT THE NW CORNER OF SAID LOT 3; TH N 86 DEG 48' 06" E, ASSIGNED BEARING, ALG THE N LINE OF SAID LOT 3, A DIST OF 190.35' TO THE NE CORNER OF THE W 190' OF SAID LOT 3 & THE POB OF THE TRACT TO BE HEREIN DESC; TH S 00 DEG 17' 11" W, ALG THE E LINE OF SAID W 190' A DIST OF 505.94'; TH S 44 DEG 19' 07" E 409.82'; TH S 85 DEG 17' 34" E 432.64'; TH S 75 DEG 32' 33" E 150.27'; TH N 00 DEG 00' 00" W 365'; TH N 83 DEG 49' 56" W 69.83'; TH N 25 DEG 32' 09" W 140'; TH N 17 DEG 06' 57" E 440.96' TO THE N LINE OF SAID LOT 3, SAID PT LIES 459.43' WLY OF THE NE CORNER OF SAID LOT 3; TH S 86 DEG 48' 06" W, ALG SAID N LINE 861.82' TO POB, TOWNSHIP 55N RANGE 25W SECTION 19, ITASCA COUNTY, MINNESOTA</p>
<p>91-019-2204</p>	<p>A&T Holdings LLC</p>	<p>TOWNSHIP 55N RANGE 25W SECTION 19 - THAT PT OF LOT 3, DESC AS FOLL: COMM AT NW CORNER OF SAID LOT 3; TH N 86 DEG 48' 06" E, ASSIGNED BEARING, ALG THE N LINE OF SAID LOT 3, A DIST OF 190.35' TO NE CORNER OF W 190' OF SAID LOT 3; TH S 00 DEG 17' 11" W, ALG THE E LINE OF SAID W 190' A DIST OF 505.94'; TH S 44 DEG 19' 07" E 409.82'; TH S 85 DEG 17' 34" E 432.64'; TH S 75 DEG 32' 33" E 150.27' TO POB OF THE TRACT TO BE HEREIN DESC; TH CONT S 75 DEG 32' 33" E 148.89'; TH S 53 DEG 17' 09" E 339.36' TO E LINE OF SAID LOT 3; TH N 02 DEG 03' 08" E, ALG SAID E LINE,</p>

		<p>1186.71' TO NE CORNER OF SAID LOT 3; TH S 86 DEG 48' 06" W, ALG SAID N LINE, 459.43' TO THE INTERS WITH A LINE BEARING N 00 DEG 00' 00" E FROM SAID POB; TH S 00 DEG 00' 00" W 920.26' TO THE POB LESS THAT PT OF SAID LOT 3 DESC AS FOLL: BEG AT NE CORNER OF SAID LOT 3; TH S 01 DEG 45' 58" W, BEARING ASSUMED, ALG THE E LINE THEREOF, 630', MORE OR LESS, TO INTERSECT THE NLY SHORE OF THE MISSISSIPPI RIVER; TH SWLY, ALG SAID SHORE TO INTERSECT THE W LINE OF THE E 75' OF SAID LOT 3; TH N 01 DEG 45' 58" E, ALG SAID W LINE, 622', MORE OR LESS, TO INTERSECT THE N LINE OF LOT 3; TH N 86 DEG 30' 55" E, ALG SAID N LINE A DIST OF 75.32' TO POB</p>
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EXHIBIT A

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County Road 63 Utility Variance - Exhibit A Parcels

Item 9.





CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider approving temporary liquor licenses for MacRostie Art Center First Friday Events.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

MacRostie Art Center has submitted applications for temporary liquor licenses for the following First Friday events:

July 5, 2024
August 2, 2024
September 6, 2024
October 4, 2024
November 1, 2024
December 6, 2024

The State of Minnesota allows for non-profits to obtain temporary liquor licenses for a total of 12 days of service in a calendar year.

REQUESTED COUNCIL ACTION:

Make a motion to approve temporary liquor licenses for MacRostie Art Center First Friday events.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider renewal of annual service agreement with SVL for library chiller.

PREPARED BY: Jon Peterson

BACKGROUND:

This is the annual (June 1, 2024, through May 31st, 2025) renewal service agreement for preventative maintenance and service of the air conditioning chiller at the library for the amount of \$3,160.00.

REQUESTED COUNCIL ACTION:

Make a motion to approve the annual service agreement with SVL for the library chiller and authorize the Mayor to sign.

SERVICE AGREEMENT

We propose the following maintenance program on the equipment located at:

Grand Rapids Library
420 North Pokegama
Grand Rapids, MN 55744

Equipment Covered

(1) McQuay AGZ075 Chiller

PREDICTIVE MAINTENANCE

Spring Inspection:

- Tighten all electrical power wiring connections.
- Perform a meg ohm test on each of the compressors.
- Check the chiller for refrigerant loss.
- Perform an acid and moisture check on each refrigeration circuit if warranted.
- Perform a vibration check of each of the compressors.
- Check the operation of the chiller; this includes all pressures, temperatures and valve operations, etc.
- Review the error log and address any shutdown alarms
- Review the operation of the chiller with the owner representative.

Summer Inspection:

- Completely check the operation of the chiller and make any adjustments or minor repairs that are required to keep the equipment operating properly.
- Clean the condenser coils.
- Check for any shutdown codes that may have occurred.
- Discuss the operation with the owner's representative.

Fall Shutdown:

- Pump the refrigerant into the condenser and close all manual valves so that the refrigerant remains secure on the condenser for the winter months.
- Shut down the chiller so it cannot start.
- Drain the water from the chiller if required.

Comments:

All parts will be invoiced separately.

Hourly rates for services beyond the scope of this contact will receive a 10% discount on our standard service rates. Service rates are subject to change during the term of this agreement.

TOTAL ANNUAL COST OF CONTRACT \$3,160.00

TERMS OF SERVICE AGREEMENT

1. Contract automatically renewable annually at the end of the original term (price subject to revision) and may be cancelled by either party any time during the term by giving at least thirty (30) days **written** notice. Failure to keep your account current shall release Schwab-Vollhaber-Lubratt of performance of this contract.
2. We warrant that all work will be performed in a professional manner by competent technicians. There are no other warranties, express or implied, and we shall not be liable for consequential damages nor expenses incurred in removing, replacing, or refinishing any part of the building structure necessary to the execution of this agreement. We shall not be liable for loss or damages due to delays or inability to perform as a result of strikes, transportation delays, governmental intervention and/or regulations or other causes beyond our control. The sole remedies for any breach of our warranty are re-performing the work or refunding the price of the work at our option.
3. Repairs, replacements and emergency service occasioned by improper operation, negligence, and misuse of the equipment or due to any cause beyond our control shall be invoiced at prevailing service rates. Repairs, replacements, inspections or modifications required by insurance companies, government, state, municipal or other authority shall be invoiced at prevailing rates.
4. Schwab-Vollhaber-Lubratt shall not be responsible for air balance, ductwork, electrical disconnect switches, recording or portable instruments, gauges or thermometers, appearance of decorative cabinets or corrections to design or installation.

The specific labor and materials on the face of this contract will be furnished for the sum of **\$3,160.00.00** payable net 30 days after invoice

Respectfully submitted,

Schwab-Vollhaber-Lubratt Service Corp.

By: Allen Gramse
Allen Gramse, Service Manager

Date: May 1, 2024

Accepted by: _____

Title: _____

Date: _____

Contract For The Year: June 1, 2024 – May 31, 2025



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 22, 2024

AGENDA ITEM: Consider authorizing the Community Development Department to solicit quotes and accept the low quote for the demolition of the hazardous buildings located at 914 Clover Lane.

PREPARED BY: Jon Peterson

BACKGROUND:

This property was identified as a hazardous building by the Building Official. The hazardous building action was completed in accordance with the current MN Building Code. Please see the attached order to raze or remove structures from the property. The demolition will be paid for out of the general fund balance line-item hazardous buildings condemnation. The property will be assessed for the associated costs of the demolition with the goal of the city funds being reimbursed. City staff recommends accepting the low quote to remove the structures from 914 Clover Lane.

<u>Contractor</u>	<u>Bid Amount</u>
Wm J Schwarts & Son Inc.	\$28,250.00
Deer River Trucking	\$35,000.00
TNT Construction Group	\$44,900.00
218 Tree Service LLC	\$54,563.00

REQUESTED COUNCIL ACTION:

Make a motion to authorize the low quote and award a contract to Wm J Schwartz to remove the hazardous buildings located at 914 Clover Ln.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Building Removals

*Due in the Administration Department located at 914 Clover Ln,
Grand Rapids, MN 55744
By May 15, 2024 at 4:00 PM*

QUOTATION FORM

ATTN: Jon Peterson, Building Official/Facilities Maintenance Manager

We, the undersigned, doing business as Wm. J. Schwartz & Son, Inc. have carefully examined the Quotation Documents and the sites of the proposed work, and are familiar with all of the conditions, laws and regulations surrounding the construction of the proposed project including the availability of materials and labor. We hereby propose to the City Council to furnish all labor, materials, equipment, skills and facilities for the complete demolition of buildings as described herein and as shown on the drawings for the prices listed below. The prices shown include all other applicable taxes and fees.

Property Location: 914 Clover Lane

Parcel #: 91-663-0230

ITEM	UNIT	QUANTITY	UNIT PRICE	BID AMOUNT
Demolition of all structures and removal of all debris from property. Remove and terminate all utility services to the buildings in accordance with all City of Grand Rapids and State of Minnesota rules and regulations.	Lump Sum	1	\$28,250.00	\$28,250.00

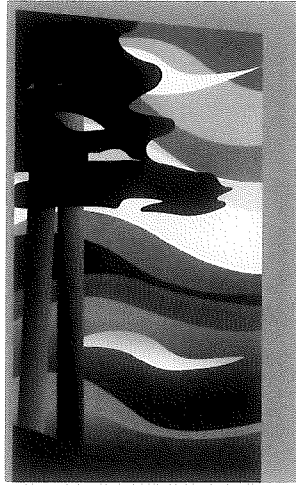
TOTAL \$ 28,250.00

Dated this 14th day of March, 2024.

Name of Company Wm. J. Schwartz & Son, Inc.
Signature of Authorized Representative [Signature]
Title President
Legal Address 34882 Scenic Hwy, Bovey, MN 55709
Business Phone 218-245-2165 Fax Number 218-327-1698

Scope of Work:

- Contact Jon Peterson City of Grand Rapids Building Official/Facilities Maintenance Manager at (218-326-7651) for site visit prior to submitting quote.
- Provide City of Grand Rapids minimum Commercial general liability insurance of \$1,000,000 per occurrence and \$2,000,000 annual aggregate.
- Obtain required permits.
- Follow City of Grand Rapids demolition policy (attached).
- Disconnect and terminate all utilities to the building in accordance with City of Grand Rapids and State of Minnesota laws and regulations.
- Call for all inspections including sewer and water abandonment.
- Contact Grand Rapids Public Utilities for inspection in right of way before backfill.
- Contractor is responsible to dispose of all demolition according to City of Grand Rapids and State of Minnesota rules and regulations and follow all requirements for hazardous material where applicable.
- Remove all buildings, concrete, sidewalks, driveways, and foundations.
- Remove all debris and garbage from property.
- Fill excavation sites with compacted fill and top soil.
- Establish turf on the property.



CITY OF
GRAND RAPIDS

IT'S IN MINNESOTA'S NATURE

BUILDING DEMOLITION POLICY

City of Grand Rapids
Community Development Department

JANUARY 2024

INTRODUCTION AND PURPOSE OF POLICY

This building demolition policy was developed to be used as a guide for the property owners, building contractors, demolition specialists, city officials and other persons or entities who may be involved in the process of removing or demolishing structures within the City of Grand Rapids. The purpose of the building demolition policy is to:

1. Protect the public's health, safety, and general welfare by insuring that the demolition of structures is done in a safe and timely manner.
2. Insure that demolition sites are restored to a safe, clean, and acceptable condition within a reasonable amount of time.
3. Protect the public utility infrastructure (water, sewer, gas, electric, telephone, streets, etc.) from damage or contamination.

PRE-DEMOLITON REQUIREMENTS

Permits Required: This policy shall apply to the demolition and/or removal of any building and its appurtenant structures within the City of Grand Rapids. A demolition permit shall be required to demolish or remove any structure over 120 square feet. Permit applications are available online at cityofgrandrapids.com or at City Hall, 420 N Pokegama Avenue. The cost of the permit is a flat fee of \$41.00 for commercial or residential.

Utility Disconnections: Please call Grand Rapids Public Utilities (218-326-7024) to schedule an inspection of the water and sewer disconnections and abandonment. The person seeking a demolition permit is responsible for disconnection of all of the following utilities:

- Telephone
- Natural Gas
- Cable TV
- Electric
- Water
- Sewer

You are also responsible for contacting Gopher State One for the location of all utilities at 1-800-252-1166.

DEMOLITION REQUIREMENTS

Securing Work Site: The demolition site must be secured with an orange barricade safety fence. Traffic warning devices in accordance with MNDOT Traffic Control for short term street or highway work zones shall be required if the street will be obstructed during the demolition or removal of debris.

Debris Removal: All demolition debris must be disposed of in a demolition landfill approved by Itasca County and/or the State of Minnesota.

Foundation Removal Requirements: The Minnesota Pollution Control Agency rules require that all concrete slabs, footings, and foundations must be removed. In special cases, you may be able to obtain a variance from the MPCA. You can contact the MPCA at 1-800-657-3864 to check into obtaining a variance. If a variance is obtained, written documentation of such must be attached along with the City Demolition Permit form.

Underground Tanks: Any underground tanks must be removed and contaminated soil, if any, shall be removed in accordance with MPCA guidelines. A permit from the Grand Rapids Fire Department is required to remove any underground fuel tanks.

Inspections Required: The demolition site, including the utility disconnections, must be inspected by the City prior to covering any portion of it with soil. NO FILL may be placed until approval is given by the City Inspectors. Failure to comply with this requirement may necessitate re-excavation to confirm proper compliance with these policies. **Note: All inspections are to be scheduled 24 hours in advance.**

Clean Fill Required: Only clean fill may be used for restoring the site. No vegetation, rubbish, wood products, concrete rubble, etc. No rock larger than 12" in diameter may be used for fill.

Safety Fencing: Any debris pile temporarily left on site, or any excavated part of the lot which presents a threat to public safety, shall be secured with an orange barricade safety fence.

Work In the Public Right of Way: A permit to conduct work in the public right of way must be obtained from the City Engineering Department. No debris shall be left in the public right of way.

SITE RESTORATION REQUIREMENTS

The property owner is responsible to :

1. Fill any excavated holes including the basement.
2. Place top soil where needed.
3. Establish grass on any disturbed soil.

Site Restoration Deadline: The site shall be restored to the satisfaction of the City within seven (7) working days of the demolition of the structure. Any site not satisfactorily restored shall be considered a public nuisance, and treated in accordance with Chapter 12 of the City of Grand Rapids Municipal Code of Ordinances.

If you have any questions please contact the Community Development Department at 218-326-7601.

Councilor MacGregor introduced the following resolution and moved for its adoption:

GRAND RAPIDS RESOLUTION 23-75

**ORDER TO RAZE OR REMOVE STRUCTURES LOCATED UPON
914 CLOVER LANE, GRAND RAPIDS, MINNESOTA**

WHEREAS, the City of Grand Rapids is a governing body entitled to order the owners of any hazardous building to raze or remove the building.

WHEREAS, under Minnesota Statute 463.15, a hazardous building or property means any building or property which, because of inadequate maintenance, dilapidation, physical damage, unsanitary conditions, or abandonment constitutes a fire hazard to public safety or health.

WHEREAS, the owner of record of the structure and property legally described as:

Lot 17, Block 6, Clover First Addition to Grand Rapids, Itasca County, Minnesota

Is Susan Lynn Rudd (deceased). The property contains one (1) main structure.

WHEREAS, the City finds the structures and the premises to be unfit for human occupancy and is in violation of the 2003 International Property Maintenance Code as adopted by the City of Grand Rapids as outlined below:

- The main building is found hazardous due to dilapidation taking place from lack of maintenance and abandonment. The roof, walls and windows are dilapidated to a point they are not providing weather protection to the building.
- All exterior property and premises shall be maintained in a clean, safe, and sanitary condition. The occupant shall keep that part of the exterior property which such occupant occupies or controls in a clean and sanitary condition. There is debris scattered throughout the exterior of the property.
- Except as provided for in other regulations, no inoperative or unlicensed motor vehicle shall be kept or stored on any premises; and no vehicle shall at any time be in a state of major disassembly, disrepair, or in the process of being stripped or dismantled. There is an unlicensed motor vehicle on the property.
- All structural members shall be maintained free from deterioration, and shall be capable of safely supporting the imposed dead and live loads. The main building is deteriorated to the point structural members of the roof have rotted and failed.
- Every window, skylight, door and frame shall be kept in sound condition, good repair, and weather tight. Several windows in the main building are broken or missing.
- All plumbing fixtures shall be properly installed and maintained in working order, and shall be kept free from obstructions, leaks and defects and be capable of performing the function for which plumbing fixtures are designed. All plumbing fixtures shall be maintained in a safe, sanitary and functional condition. There are plumbing fixtures laying loose outside the main building.

- All mechanical appliances, fireplaces, solid fuel-burning appliances, cooking appliances and water heating appliances shall be properly installed and maintained in a safe working condition, and shall be capable of performing the intended function. There has been no water, or power usage in the main building for the last several years.
- Where it is found that the electrical system in a structure constitutes a hazard to the occupants or the structure by reason of inadequate service, improper fusing, insufficient receptacle and lighting outlets, improper wiring or installation, deterioration or damage, or for similar reasons, the code official shall require the defects to be corrected to eliminate the hazard. There has been no power usage in the main building for the last several years.

WHEREAS, the City attempted to serve the owner of this property, via certified mail, notice to clean and repair the premises to bring it to a condition where it no longer poses a danger on June 14, 2022, with no returned communication. After receiving an Owner and Encumbrance report along with the Death Certificate of the Owner, Susan Lynn Rudd, it is the City's intention, upon the passage of this resolution, to serve notice by publishing the notice of violation and resolution in the Grand Rapids Herald Review for three consecutive weeks.

WHEREAS, pursuant to the above-stated facts and in accordance with Minnesota Statutes, Sections 463.15 to 463.26, the Grand Rapids City Council hereby Orders that the owner of record of said hazardous building raze or remove the building, or within the time allotted, make repairs to the same described above.

WHEREAS, it is further Ordered that unless action is commenced to raze or remove the building within twenty (20) days after service of this Order and completed within sixty (60) days of such service, or unless such repairs are commenced within twenty (20) days after service of this Order and completed within sixty (60) days after service, or answer served upon the City of Grand Rapids in the manner provided for the service of answer in a civil action within twenty (20) days from the date of service of this Order, then the City of Grand Rapids will move the District Court of Itasca County for summary enforcement of this Order.

BE IT RESOLVED that the Council further Orders that if the City is compelled to take any corrective action herein, all necessary costs expended by the City will be assessed against the real estate concerned and collected in accordance with Minnesota Statutes as required by law.

BE IT FURTHER RESOLVED that the owner be served a copy of this Order, and the owner shall have to take the following action:

1. Remove or raze the building presently upon the property indicated above.

Failure to comply with or answer this Order as required by Minnesota Statute 463.18 will result in the City of Grand Rapids filing a Motion for Summary Enforcement of this Order in the District Court, Itasca County, Minnesota. The owner shall have twenty days from the date of service of this Order to answer specifically and deny such facts contained in this Order if any are in dispute.

Adopted this 9th day of October 2023.

Dale Christy
Dale Christy (Oct 11, 2023 13:57 CDT)
Dale Christy, Mayor

Attest:

Kim Gibeau
Kim Gibeau (Oct 11, 2023 14:37 CDT)
Kimberly Gibeau, City Clerk

Councilor Sutherland seconded the foregoing resolution and the following voted in favor thereof: Sutherland, MacGregor, Connelly; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28th, 2024

AGENDA ITEM: Consider entering into a developer agreement with Grand Partners, LLC

PREPARED BY: Matt Wegwerth

BACKGROUND:

Grand Partners LLC (owners Mike and Mary Ives) currently owns and operates Paradise Park modular home park on the south end of Grand Rapids. Grand Partners LLC is planning to connect to the city water system and extend mains to serve their modular homes. The connection will take place in the TH 169 right-of-way and a portion of this main will be transferred to City ownership once completed. Due to public ownership, the City has agreed to help fund the installation by contributing \$50,000. This agreement covers the installation and the payment.

The City's contribution is a budgeted amount and will come from COVID CARES funds.

REQUESTED COUNCIL ACTION:

Make a motion entering into a developer agreement with Grand Partners, LLC for installation of a watermain to Paradise Park modular home park and authorize the Mayor and Clerk to sign.

DEVELOPER AGREEMENT

THIS DEVELOPER AGREEMENT (this "Agreement") is made and entered into as of May 22nd, 2024, by and between Grand Partners, LLC, a Minnesota limited liability company (hereinafter referred to as the "Developer") and the City of Grand Rapids, a Minnesota municipal corporation (the "City").

RECITALS

- A. Developer intends to install watermain to serve the existing housing development as shown on the attached plans. (Exhibit A)
- B. A portion of this new main will be publicly owned and located within public right-of-way
- C. The City has determined that, should Developer comply with the terms of this Agreement, and because a portion of the main will be publicly owned, the City will provide financial support for the construction.

AGREEMENT

1. CONSIDERATION. This is a mutual Agreement, which the parties acknowledge is supported by adequate consideration, and which shall be legally binding upon the parties.

2. PROJECT FUNDING. The City will provide funding in the amount of \$50,000.00 (fifty thousand dollars and 00/100) immediately upon completion and acceptance of the public watermain.

3. REQUIRED IMPROVEMENTS The Developer agrees to construct at the Developer's sole cost the following improvements, and in conformity with all applicable standards, ordinances, and with the final construction plans for those improvements upon their review and

approval by the City Engineering Department. The Plan Required Improvements will involve the completion of: watermain and associated appurtenances within MnDOT right-of-way:

- (a) Trunk Highway 169 – a state owned section of highway (approximately 2,450 lf south of 29th Street SE)

4. SCHEDULE FOR REQUIRED IMPROVMENTS. The City and Developer agree that the Required Improvements, described in above paragraph, shall be substantially completed on or before December 31, 2024.

The above-described improvements shall be in compliance with all applicable statutes, codes, and ordinances and with the construction standards of the City at the Developer’s expense.

It shall be the duty of the Developer to retain the services of an independent testing agency during the construction phase of the improvements listed above in Paragraphs 3 to conduct material and construction quality testing in accordance with the Schedule of Materials and Testing (Exhibit B). The Developer will forward a copy of the testing agencies reports, regarding the results of this testing, to the City.

It shall be the duty of the Developer to notify the City of the completion of the Work in writing and to thereby request a final inspection of the Work by employees of the City. A civil engineer, registered in the State of Minnesota and retained by the Developer, shall provide written certification to the City that the improvements have been completed in accordance with the approved plans and specifications.

The City, following inspection of the Required Improvements and the determination that the Required Improvements have been satisfactorily completed, shall give notice of the date of actual completion and acceptance to the Developer. Notice of deficiencies and of required corrections shall be given to the Developer, who shall re-notify the City in writing when corrections have been made and may be inspected.

5. CONSTRUCTION PLANS. Construction plans and specifications for the required improvements, conforming in all respects with the standards of the City Engineer and the ordinance of the city, shall be prepared at the Developer's expense by a professional engineer who is registered in the state, and the plans shall contain his or her seal. Such plans, together with the quantities of construction items, shall be submitted to the city engineer for his approval and for his estimate of the total cost of the required improvements; upon approval they shall become a part of this Agreement (Exhibit A). The original plans approved by the city engineer plus two prints, and electronic as-builts, shall be furnished to the city to be filed by the city engineer as a record in the engineering department.

6. REMEDIES FOR BREACH. At any time after the completion date and any extension thereof, if any of the Work is deemed incomplete, or if a letter of credit or surety will expire without renewal prior to completion, the City may proceed in any one or more of the following ways to enforce the undertakings herein set forth, and to collect any and all overhead expenses incurred by the City in connection therewith, including but not limited to engineering,

legal, planning, and litigation expenses; but the enumeration of the remedies hereunder shall be in addition to other remedies available to the City.

- (a) Specific Performance. The City may in writing direct the Developer to cause the Work to be undertaken and completed within a specified reasonable time. If the Developer fail to cause the Work to be done and completed in a manner and time acceptable to the City, the City may proceed in an action for specific performance to require such work to be undertaken.
- (b) Completion by the City. The City, after 10 days notice to Developer, may enter the premises and proceed to have the Work done either by contract, by day labor, or by regular City forces, and neither the Developer nor the corporate surety may question the manner of doing such work or the letting of any such contacts for the doing of any such work, or the doing of such work. Upon completion of such work, the surety and/or the Developer shall promptly pay the City the full cost thereof as aforesaid.

7. **AGREEMENT TO PAY ATTORNEY'S FEES AND EXPENSES.** Whenever any default occurs and the City employs attorneys or incur other reasonable expenses in enforcement or performance of the obligations under this agreement, the Developer agrees on demand to pay the City the reasonable fees or expenses incurred by the City.

8. **MISCELLANEOUS TERMS.** This Agreement shall also be subject to the following terms and conditions:

- (a) This Agreement shall be interpreted in accordance with the laws of the State of Minnesota.
- (b) The terms of this Agreement shall not be amended, supplemented, or varied, except by written agreement signed by the parties.
- (c) All terms of this Agreement which are binding upon Developer shall run with the land and shall be binding upon all heirs, successors, assigns, mortgages, lien holders, trustees, receivers, or any other person or entity which shall succeed to any rights of Developer in the Real Estate.

This Agreement is made and entered into as of the date and year written above.

EXHIBIT A
Construction Plans

EXHIBIT B

Schedule for Materials and Testing

Product	Test Type	Approximate Frequency	Remark
Trench Compaction	Compaction	1 per 1000 cy (CV)	Owners Rep shall contact Testing Firm to take sample and perform test
Embankment	Compaction	1 per 10,000 cy (CV)	Owners Rep shall contact Testing Firm to take sample and perform test
Watermain	Pressure	In accordance with AWWA C600	Per specifications
Watermain	Bacteria	In accordance with AWWA C651	Per specifications
Watermain	Conductivity	Entire System	Per specifications



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28th, 2024

AGENDA ITEM: Consider approving an agreement with SEH for a Taxiway North planning study and authorizing a grant request to the FAA

PREPARED BY: Matt Wegwerth

BACKGROUND:

The existing taxiway at the Grand Rapids – Itasca County (GPZ) airport is at the end of its useful life and the 2024 project will consist of the design for the reconstruction of the south half of the taxiway, with bidding proposed in 2025 and construction proposed to occur in 2026. A planning study will be conducted on the north half of the taxiway to evaluate current design standards, specifically direct access from the apron at Taxiway A1 and the intersection of Taxiway A and Runway 5/23.

The existing intersection between crosswind Runway 5/23 and parallel Taxiway A does not meet design standards. Parallel Taxiway A does not meet the runway at a 90-degree angle which is considered a safety hazard to pilots and visibility to both runway ends while crossing or taxiing to takeoff on the runway. This study will evaluate alternatives and solutions to meet design standards.

Additionally, a grant request to the FAA to cover 90% of this study is attached.

Total cost of planning study and design is \$249,200
 FAA (90%) - \$224,280
 MnDOT (5%) - \$12,460
 Local (5%) - \$12,460, of which the City share will be ½

Total City obligation is \$6,230.00. Agreement is contingent on grant approval.

REQUESTED COUNCIL ACTION:

Make a motion approving an agreement with SEH for a Taxiway North planning study and authorizing a grant request to the FAA

ARCHITECT/ENGINEER AGREEMENT
Between

City of Grand Rapids, Minnesota

(OWNER)

and

Short Elliott Hendrickson Inc.

(CONSULTANT)

for

PROFESSIONAL SERVICES

THIS AGREEMENT made and entered into this _____ day of _____, 20____, by and between the City of Grand Rapids, Minnesota, hereinafter referred to as the OWNER, and Short Elliott Hendrickson Inc.® (SEH), with a regular place of business at 3535 Vadnais Center Drive, St. Paul, Minnesota 55110, hereinafter referred to as the CONSULTANT.

WITNESSETH:

That the OWNER and CONSULTANT, for the consideration hereinafter named, agree as follows:

ARTICLE 1. GENERAL DESCRIPTION OF WORK TO BE DONE

The OWNER agrees to and hereby does retain and employ CONSULTANT and CONSULTANT agrees to perform Architectural, Engineering and/or other Professional Services for the project at the Grand Rapids/Itasca County Airport, entitled:

2024 Taxiway A (South) Reconstruction – Phase 1 Design & Taxiway A (North) Planning Study

hereinafter referred to as the Project.

The Project and those services to be performed hereunder are more particularly described in ATTACHMENT A1 and A2, a part hereof, and may be financed in part by grant-in-aid programs of the Minnesota Department of Transportation (Mn/DOT), Office of Aeronautics, and/or the Federal Aviation Administration (FAA) as described in Article 14.

ARTICLE 2. PERIOD OF SERVICE

Compensation for CONSULTANT’S services as provided elsewhere in this Agreement has been agreed to in anticipation of an orderly and continuous progress of CONSULTANT’S services through completion. In this regard, if the services covered by this Agreement have not been completed within 12 months of the date hereof, through no fault of CONSULTANT, any lump sum or maximum payment amounts shall be equitably adjusted.

ARTICLE 3. COMPENSATION TO CONSULTANT

A. Compensation to CONSULTANT for services described in this Agreement shall be on a Lump Sum basis, Cost Reimbursement Plus Fixed Fee basis and/or an Hourly Rate basis, as designated in the box below, and in ATTACHMENT B1 and B2 and as hereinafter described.

1. A Lump Sum method of payment for CONSULTANT'S services shall typically apply to all or parts of a work scope here CONSULTANT'S tasks can be readily defined and/or where the level of effort required to accomplish such tasks can be estimated with a reasonable degree of accuracy. The OWNER shall make monthly payments to CONSULTANT within 30 calendar days of date of invoice based on an estimated percentage of completion of CONSULTANT'S services.

Reimbursement for Direct Expenses incurred in the performance of the work shall be included in the Lump Sum amount, unless otherwise set forth in ATTACHMENT B1 and B2.

2. A Cost Reimbursement Plus Fixed Fee method of payment for CONSULTANT'S services shall typically apply to all or parts of work scope where CONSULTANT'S tasks cannot be readily defined and/or where the level of effort required to accomplish such tasks cannot be established with any reasonable degree of accuracy. Under a Cost Reimbursement Plus Fixed Fee method of payment, the CONSULTANT shall be paid for the actual costs of providing required services plus a fixed fee payment as defined in FAA Advisory Circular 150/5100-14B, dated November 21, 1988, and as further defined as follows:

- a. Direct Salary Costs incurred by CONSULTANT for employee's time directly chargeable to the Project, and in accordance with the CONSULTANT'S SALARY SCHEDULE included in ATTACHMENT B1 and B2. Periodic revisions to the schedule may be made and any such revisions shall be submitted by CONSULTANT to the OWNER for approval.
- b. Overhead Costs including overhead on direct labor including, but not limited to, employment taxes, fringe benefits, holidays, vacation, and sick leave and all allowable general and administrative overhead costs. Overhead Costs shall be calculated as a percentage of Direct Salary Costs, with such percentage based on CONSULTANT'S audited records. The Overhead Rate to be applied to this Agreement and any special provisions relating thereto shall be set forth in ATTACHMENT B1 and B2.
- c. Direct Non-Salary Expenses incurred by CONSULTANT for costs directly chargeable to the project, including but not limited to:
 - 1) Travel and subsistence.
 - 2) Computer services.
 - 3) Outside professional and technical services.
 - 4) Identifiable reproduction and reprographic charges.
 - 5) Expendable field supplies and special field equipment rental.
 - 6) Other acceptable costs for such additional items and services as may be required by the OWNER to fulfill the terms of this Agreement.
- d. Fixed Fee. In addition to the above reimbursement of costs, CONSULTANT shall be paid a fixed fee in the amount set forth in Attachment B1 and B2. It is agreed that the fixed fee will be subject to adjustment in case of a work scope change, abandonment of the work prior to completion, or deletion of specific tasks.

The OWNER shall make monthly payments to CONSULTANT within 30 calendar days of date of invoice based on computations made in accordance with the above charges for services provided and expenses incurred to date, including a proportionate amount of the fixed fee. Invoices shall be accompanied by supporting evidence as required.

3. If no Federal funds are involved in this Agreement, an Hourly Rate method of payment for CONSULTANT'S services may be utilized as an alternative to the Lump Sum or Cost Reimbursement Plus Fixed Fee methods. Under an Hourly Rate method of payment, CONSULTANT shall be paid for the actual hours worked on the Project by CONSULTANT'S technical personnel times an hourly billing rate established for each employee. Hourly billing rates shall include compensation for all salary costs, payroll burden, general and administrative overhead and professional fee. A rate schedule shall be furnished by CONSULTANT to OWNER upon request.

In addition to the foregoing, CONSULTANT shall be reimbursed at cost for the following Direct Expenses when incurred in the performance of the work:

- a. Travel and subsistence.
- b. Computer services.
- c. Owner approved outside professional and technical services.
- d. Identifiable reproduction and reprographic charges.
- e. Expendable field supplies and special field equipment rental.
- f. Other acceptable costs for such additional items and services as may be required by the Owner to fulfill the terms of this Agreement.

The OWNER shall make monthly payments to CONSULTANT within 30 calendar days of date of invoice based on computations made in accordance with the above charges for services provided and expenses incurred to date, accompanied by support evidence as required.

- B. The OWNER, The Mn/DOT, Office of Aeronautics, the FAA, or their authorized representatives shall have access to CONSULTANT'S records for the purpose of accounting and audit. The CONSULTANT shall maintain all records relative to this Agreement for a period of not less than three years, subsequent to the OWNER'S final payment to CONSULTANT and until the project is financially closed-out by the FAA.

ARTICLE 4. EXTRA WORK AND SERVICES NOT INCLUDED IN THIS CONTRACT

If CONSULTANT is of the opinion that any services it has been directed to perform is beyond the Scope of this Agreement, or that the level of effort required significantly exceeds that estimated due to changed conditions and thereby constitutes extra work, it shall promptly notify the OWNER of that fact. Extra work, additional compensation for same, and extension of time for completion shall be covered by a Supplemental Agreement entered into by both parties and approved by Mn/DOT and FAA, prior to proceeding with any extra work or related expenditures.

ARTICLE 5. ABANDONMENT, CHANGE OF PLAN AND TERMINATION

Either Party has the right to terminate this Agreement upon seven calendar days' written notice. In addition, the OWNER may at any time, reduce the scope of this Agreement. Such reduction in scope shall be set forth in a written notice from the OWNER to CONSULTANT. In the event of unresolved dispute over change in scope or changed conditions, this Agreement may also be terminated, upon seven calendar days' written notice as provided above.

In the event of termination, all documents finished or unfinished, prepared by CONSULTANT under this Agreement shall be made available by CONSULTANT to the OWNER pursuant to Article 7, and there shall be no further obligation of the OWNER to CONSULTANT under this Agreement, except for payment of amounts due and owing for work performed and expenses incurred to the date and time of termination, computed in accordance with Article 3.

In the event of a reduction in scope of the Project work, CONSULTANT shall be paid for the work performed and expenses incurred on the project work thus reduced and for any completed and abandoned work for which payment has not been made, computed in accordance with Article 3.

ARTICLE 6. DISPUTE RESOLUTION

In the event of an irreconcilable dispute under this Agreement, which is not resolvable through informal means, the parties may, upon written agreement, submit to the resolution process set out in this provision. Once the parties have agreed to the resolution process, each party shall have seven (7) calendar days to designate one representative, who shall have authority to act on this Agreement. If either party fails within that time to inform the other party in writing of its designation, the other party is free to pursue all other legal and equitable remedies. Within ten (10) calendar days of designation of the representative, the representatives shall meet and shall entertain such presentation of testimony and other evidence as the CONSULTANT and the OWNER may wish to present with respect to the dispute. Within seven (7) calendar days after the close of such presentation, the representative shall resolve the dispute or either party is free to pursue all other legal and equitable remedies. When the representatives resolve the dispute, their decision shall be final and conclusive. Should the representatives be unable to agree on a resolution of the dispute, then the parties are free to pursue all other legal and equitable remedies. Each party's costs for the dispute resolution shall be borne by the respective party.

If the parties do not agree in writing to the resolution process set out above, either party is entitled to pursue any other legal or equitable remedies available.

ARTICLE 7. DISPOSITION OF PLANS, REPORTS, AND OTHER DATA

At the time of completion or termination of the work, CONSULTANT shall make available to the OWNER, all maps, tracings, reports, resource materials and other documents pertaining to the work or to the Project. All such documents are not intended or represented to be suitable for reuse by the OWNER or others on extension of the Project or any other project. Any reuse without written verification or adaptation by CONSULTANT for the specific purpose intended will be at OWNER'S sole risk and without liability or legal exposure to CONSULTANT. In this regard, the OWNER will indemnify and hold harmless CONSULTANT from any and all suits or claims of third parties arising out of such reuse, which is not specifically verified, adapted or authorized by CONSULTANT.

ARTICLE 8. DOCUMENTS FORMING THE CONTRACT

The contract documents shall be deemed to include this Agreement with all accompanying attachments of part hereof.

ARTICLE 9. OWNER'S RESPONSIBILITY

- A. To permit CONSULTANT to perform the services required hereunder, the OWNER shall supply in proper time and sequence, the following at no expense to CONSULTANT.
 - 1. Provide all necessary information regarding its requirements as necessary for orderly progress of the work.

2. Designate in writing, a person to act as OWNER'S representative with respect to the services to be rendered under this Agreement. Such person shall have authority to transmit instructions, receive instructions, receive information, interpret, and define OWNER'S policies with respect to CONSULTANT'S services.
3. Furnish, as required for performance of CONSULTANT'S services (except to the extent provided otherwise in ATTACHMENT A1 and A2), data prepared by or services of others, including without limitation, core borings, probings and subsurface explorations, hydrographic and geohydrologic surveys, laboratory tests and inspections of samples, materials and equipment; appropriate professional interpretations of all of the foregoing; environmental assessment and impact statements; property, boundary, easement, right-of-way, topographic and utility surveys; property descriptions; zoning, deed and other land use restriction; and other special data not covered in ATTACHMENT A1 and A2.
4. Provide access to, and make all provisions for CONSULTANT to enter upon publicly- and privately-owned property as required to perform the work.
5. Act as liaison with other agencies to carry out necessary coordination and negotiations; furnish approvals and permits from all governmental authorities having jurisdiction over the Project and such approvals and consents from others as may be necessary for completion of the Project.
6. Examine all reports, sketches, drawings, specifications and other documents prepared and presented by CONSULTANT, obtain advice of an attorney, insurance counselor or others as OWNER deems necessary for such examination and render in writing, decisions pertaining thereto within a reasonable time so as not to delay the services of CONSULTANT.
7. Give prompt written notice to CONSULTANT whenever OWNER observes or otherwise becomes aware of any development that affects the scope or timing of CONSULTANT'S services or any defect in the work of Construction Contractor(s), Consultants or CONSULTANT.
8. Initiate action, where appropriate, to identify and investigate the nature and extent of asbestos and/or pollutant in the Project and to abate and/or remove the same as may be required by federal, state or local statute, ordinance, code, rule, or regulation now existing or hereinafter enacted or amended. For purposes of these General Provisions, "pollution" shall mean any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, alkalis, chemicals and hazardous or toxic waste. Hazardous or toxic waste means any substance, waste, pollutant or contaminant now or hereafter included within such terms under any federal, state or local statute, ordinance, code, rule or regulation now existing or hereinafter enacted or amended.

If CONSULTANT encounters, or reasonably suspects that it has encountered, asbestos, or pollution, including soil contamination in the project area, CONSULTANT shall cease activity in said area and promptly notify the OWNER who shall proceed as set forth above. Unless otherwise specifically provided in ATTACHMENT A1 and A2, the services to be provided by CONSULTANT do not include identification of asbestos or pollution, including soil contamination and CONSULTANT has no duty to identify or attempt to identify the same in the project area.
9. Provide such accounting, independent cost estimating and insurance counseling services as may be required for the Project, such legal services as OWNER may require or CONSULTANT may reasonably request with regard to legal issues pertaining to the Project and such auditing services as OWNER may require to ascertain how or for what purpose any Contractor has used the monies paid under the construction contract.
10. Provide such inspection services (except to the extent provided otherwise in ATTACHMENT A1 and A2) as OWNER may require to ascertain that Contractor (s) are complying with any

law, rule, regulation, ordinance, code or order applicable to their furnishing and performing the work.

11. Provide "record" drawings and specifications for all existing physical plants or facilities which are pertinent to the Project.
 12. Provide written notice to CONSULTANT when the project has been financially closed-out by FAA.
 13. Provide other services, materials, or data as may be set forth in ATTACHMENT A1 and A2.
- B. CONSULTANT shall be entitled to rely on the accuracy and completeness of information or services furnished by the OWNER. If CONSULTANT finds that any information or services furnished by the OWNER is in error or is inadequate for its purpose, CONSULTANT shall promptly notify the OWNER.

ARTICLE 10. OPINIONS OF COST

Opinions of probable project cost, construction cost, financial evaluations, feasibility studies, economic analyses of alternate solutions and utilitarian considerations of operations and maintenance costs provided for in ATTACHMENT A1 and A2, a part hereof, are to be made on the basis of CONSULTANT'S experience and qualifications and represent CONSULTANT'S best judgement as an experienced and qualified design professional. It is recognized, however, that CONSULTANT does not have control over the cost of labor, material, equipment or services furnished by others or over market conditions or contractor's methods of determining their prices, and that any evaluation of any facility to be constructed or reacquired, or work to be performed on the basis of CONSULTANT'S cost opinions, must of necessity, be speculative until completion of construction or acquisition. Accordingly, CONSULTANT cannot and does not guarantee that proposals, bids, or actual costs will not substantially vary from opinions, evaluations or studies submitted by CONSULTANT to OWNER hereunder.

ARTICLE 11. CONSTRUCTION PHASE SERVICES

OWNER acknowledges that it is customary for the architect or engineer who is responsible for the preparation and furnishing of Drawings and Specifications and other construction-related documents to be employed to provide professional services during the Bidding and Construction Phases of the Project, (1) to interpret and clarify the documentation so furnished and to modify the same as circumstances revealed during bidding and construction may dictate, (2) in connection with acceptance of substitute or equal items of materials and equipment proposed by bidders and contractor(s), (3) in connection with approval of shop drawings and same submittals, and (4) as a result of and in response to CONSULTANT'S detecting in advance of performance of affected work inconsistencies or irregularities in such documentation. OWNER agrees that if CONSULTANT is not employed to provide such professional services during the Bidding (if the work is put out for bids) and the Construction Phases of the Project, CONSULTANT will not be responsible for, and OWNER shall indemnify and hold CONSULTANT (and CONSULTANT'S professional associates and consultants) harmless from, all claims, damages, losses and expenses including attorneys' fees arising out of, or resulting from, any interpretation, clarification, substitution acceptance, shop drawing or sample approval or modification of such documentation issued or carried out by OWNER or others. Nothing contained in this paragraph shall be construed to release CONSULTANT (or CONSULTANT'S professional associates or consultants) from liability for failure to perform in accordance with professional standards any duty or responsibility which CONSULTANT has undertaken or assumed under this Agreement.

ARTICLE 12. INSURANCE

CONSULTANT shall procure and maintain insurance for protection from claims against it under workers' compensation acts, claims for damages because of bodily injury including personal injury, sickness or disease or death of any and all employees or of any person other than such employees, and from claims for damages against it because of injury to or destruction of property including loss of use resulting therefrom.

Also, CONSULTANT shall procure and maintain professional liability insurance for protection from claims arising out of performance of professional services caused by any negligent act, error, or omission for which

CONSULTANT is legally liable. However, CONSULTANT hereby states and the OWNER acknowledges, that CONSULTANT has no professional liability (errors and omissions) or other insurance, and is unable to reasonably obtain such insurance, for claims arising out of the performance or failure to perform professional services, including but not limited to the preparation of reports, designs, drawings and specifications, related to the investigation, detection, abatement, replacement, modification, removal or disposal of (1) pollutants or of (2) products, materials or processes containing asbestos. Pollutants herein under (1) above meaning any solid, liquid, gaseous, or thermal irritant or contaminant, including smoke, vapor, soot, alkalis, chemicals and hazardous or toxic waste. Accordingly, the OWNER hereby agrees to bring no claim for non-negligent services, breach of contract, or other cause of action against CONSULTANT, its principals, employees, agents and consultants if such claim in any way arises out of the actual, alleged or threatened discharge, dispersal, release or escape of pollutants, or the investigation of or remedial work related to such pollutants or asbestos in the project. Certificates of insurance will be provided to the OWNER upon request.

ARTICLE 13. INDEPENDENT CONTRACTOR

The CONSULTANT in performance of work hereunder operates as an independent contractor and covenants and agrees that it will conduct itself consistent with such status, that is will neither hold itself out as nor claim to be an officer or employee of the OWNER by reason hereof, and that it will not by reason hereby, make any claim, demand or shall it apply for any right or privilege applicable to an officer or employee of the OWNER, including, but not limited to, worker's compensation coverage, unemployment insurance benefits, social security coverage or retirement membership or credit.

ARTICLE 14. FEDERAL AND STATE PARTICIPATION

Work performed under this Agreement may be financed in part by State and Federal funds. However, payments to CONSULTANT will be made by the OWNER.

The State of Minnesota and the United States are not parties to this Contract and no reference herein to the Mn/DOT, Office of Aeronautics, and to the FAA or any representatives thereof makes the State of Minnesota or the United States a party to the Contract.

ARTICLE 15. COVENANT AGAINST CONTINGENT FEES

The CONSULTANT warrants that no person or legal entity has been employed or retained to solicit or secure this contract upon an Agreement or understanding for a commission, percentage, brokerage, or contingent fee excepting bona-fide employees or bona-fide established commercial or selling agencies maintained by CONSULTANT for the purpose of securing business. For breach or violation of this warranty, the OWNER shall have the right to annul this Agreement without liability or in its discretion to deduct from payment to CONSULTANT the full amount of each commission, percentages, brokerage, or contingent fee.

ARTICLE 16. FEDERAL CONTRACT CLAUSES

If this Agreement is to be financed in part by Federal funds, certain federally-required, contract clauses must be incorporated. These federally-required, contract clauses, included as ATTACHMENT C, are hereby incorporated herein and made a part of this Agreement. The ATTACHMENT C incorporated is for Non-Construction Contract of (check as appropriate):

- \$10,000 or less
- \$10,001 to \$25,000
- \$25,001 to \$100,000 or
- \$100,001 and over

The term "contractor" as used in said ATTACHMENT is understood to mean CONSULTANT.

ARTICLE 17. ASSIGNMENT

This Agreement, being intended to secure the personal service of the individuals employed by and through whom CONSULTANT performs work hereunder, shall not be assigned, sublet or transferred without written consent of the OWNER.

ARTICLE 18. NOTICES

All notices required by law or by this Agreement to be given to the CONSULTANT must be written and may be given personally or by depositing the same in the United States mail, postage prepaid, and addressed to CONSULTANT at such premises and at the following address:

Short Elliott Hendrickson Inc.
3535 Vadnais Center Drive
St. Paul, Minnesota 55110

All notices required or permitted to be given to the OWNER hereunder shall be given by United States mail, postage prepaid, and addressed to:

Matt Wegwerth
Public Works Director/City Engineer
420 North Pokegama Ave.
Grand Rapids, MN 55744

Notice shall be deemed given as of the date said notice is deposited in the mail or personally delivered.

The parties must notify each other promptly in the event of a change in name or address.

ARTICLE 19. CONTROLLING LAW

This Agreement is to be governed by the laws of the State of Minnesota.

ARTICLE 20. SPECIAL CONDITIONS

IN WITNESS WHEREOF, the parties hereto have executed this Agreement the day and year first above written.

City of Grand Rapids, MN

OWNER

Short Elliott Hendrickson Inc.

CONSULTANT

By _____

By  _____

Attest _____

Attachments: A1, A2, B1, B2, C

ATTACHMENT A1

Grand Rapids – Itasca County Airport (GPZ)

Taxiway A (South) Reconstruction Phase 1– Design Scope of Work

**(Engineer’s Design Report, Final Design, Plans and Specifications, Bidding,
and Closeout)**

General – The existing taxiway is at the end of its useful life and the 2024 project will consist of the design for the reconstruction of the south half of the taxiway, with bidding proposed in 2025 and construction proposed to occur in 2026. A planning study will be conducted on the north half of the taxiway to evaluate current design standards, specifically direct access from the apron at Taxiway A1 and the intersection of Taxiway A and Runway 5/23.

The 2022 PCI for Parallel Taxiway A ranges from 61 to 50. The proposed project would consist of removing the existing bituminous pavement, removing non-suitable aggregate base material, evaluating and repairing subsurface failure, making necessary grade adjustments, and installing new aggregate base and bituminous pavement. The installation of drain tile is anticipated along the taxiway edges. New LED taxiway edge lighting, including base cans, conduit, wire, and airfield guidance signs will also be included.

The width of the parallel taxiway is being evaluated by the FAA and eligibility of the pavement will be determined during the design process. It is anticipated that the pavement width will be reduced from 50’ wide to 35’ wide, with fillets constructed at the intersections.

Proposed project limits are included in **Figure 1**.



This work scope includes the engineer's design report, final design, plans and specifications development, bidding, contract award, and Federal closeout report. (construction observation and administration, and construction closeout are excluded.)

The project schedule includes designing throughout 2024 and bidding in Spring 2025.

Project Deliverables – The project deliverables of this scope include the following:

1. Project formulation
2. Engineer's Design Report for South Taxiway A Reconstruction and environmental review
3. Plan drawings for Taxiway A South Reconstruction
4. Construction bidding documents for Taxiway A South Reconstruction
5. FAA construction plans and specifications review
6. Bidding and Contract Award for Taxiway A South Reconstruction
7. Project management
8. Federal project closeout.

This work scope includes:

Work Element 1: Project Formulation

Task 1.1 – Scoping, Review, and Coordination – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the City of Grand Rapids and the Grand Rapids-Itasca County Airport (GPZ) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. The scoping effort includes five (5) meetings and meeting preparation effort to determine approved FAA alignment. Each meeting will anticipate 4 hours for the meeting and meeting prep and attended by a Principal, Project Manager, and Project Engineer or Planner. The scope of work will be presented to FAA and MnDOT Office of Aeronautics for review and will be updated based on input received.

Task 1.2 – Project Formulation – SEH will complete the project and grant pre-application documentation, environmental review submittals, cost breakdowns and eligibility determinations for the approved scope of work.

Work Element 2: Engineer's Design Report

Task 2.1 – General Scope of Work – SEH will develop a brief narrative of the work scope, delineation of eligible/ineligible work items, any unique or unusual situations, project justification, and historical background on the proposed project.

Task 2.2 – Photographs – SEH will coordinate with GPZ staff to capture photographs of representative areas of existing site conditions of the pavement. The photographs will be included within the report.

Task 2.3 – Applicable AIP Standards – All applicable AIP standards will be referenced in the report by FAA Advisory Circulars. Specific values for design standards as required for Taxiway A will be displayed in table format for airplane design group, approach category, runway and taxiway safety area and object free area dimensions, geometric values and surface gradients.

Task 2.4 – Airport Operational Safety Considerations – SEH will develop a preliminary Construction Safety and Phasing Plan (CSPP) to evaluate proposed phasing and sequencing, construction limits, haul routes, contractor staging areas, and anticipated

impacts to airport users. All airport facilities, including approach procedures and navigational aids, will be evaluated for potential impacts due to construction.

Task 2.5 - Pavement Design – SEH will utilize the geotechnical evaluation and report, including pavement cores and soil borings to evaluate the current pavement condition and underlying soils. The resulting pavement evaluation and identification of soil characteristics will be used with the fleet mix to develop a proposed pavement design thickness and alternatives.

In addition, the master plan identified the design aircraft for pavement design. GPZ will provide operations data for historical operations and will facilitate discussions with airport tenants and users pertaining to projected future operations.

Task 2.6 – Drainage Design – SEH will evaluate the existing drainage and subsurface drainage systems. Exploration of the drainage area and stormwater runoff calculations will be determined to confirm current drainage and stormwater treatment features. Design of pavement edge drains will be included.

Task 2.7 – Airfield Lighting and Signage – Design of Airfield lighting will be included in the report. Lighting to be included is LED taxiway edge lighting and airfield signage.

Task 2.8 – Navigational Aids – NAVAIDs will not be included in the taxiway project.

Task 2.9 – Pavement Marking – SEH will develop a preliminary pavement marking plan and details to be included as part of the report.

Task 2.10 – Environmental Considerations – SEH will complete a request for environmental Categorical Exclusion (CATEX) for the Taxiway A project. It is assumed a documented CATEX will be required. SEH will also identify necessary permits, including but not limited to NPDES and developing a Stormwater Pollution Prevention Plan (SWPPP) in concert with preliminary erosion control plans. No field work will be completed with this portion of the project.

Task 2.11 – Existing Utilities – SEH will develop a drawing that identifies and delineates existing underground utilities in and adjacent to the area of Runway 17-35.

Task 2.12 – Miscellaneous Work Items – SEH will provide a narrative to address other work components of the project, such as turf establishment, site access, and other related work items.

Task 2.13 – Life Cycle Cost Analysis – A Life Cycle Cost Analysis will not be included with this project.

Task 2.14 – Modification to AIP Design Standards – No modifications to design standards are anticipated, but this task will explore all preliminary design to confirm that no modifications to design standards will be requested.

Task 2.15 – AIP Non-eligible Work Items – Any potential non-eligible work items will be identified. If non-eligible work items are identified, the process for separating these work components from eligible components will be addressed.

Task 2.16 – Disadvantaged Business Enterprise (DBE) – The current status of the Sponsor's DBE program will be established, together with project goals for the Taxiway A Reconstruction project.

Task 2.17 – Project Schedule – SEH will develop a schedule and associated chart to identify the project schedule specific to the Taxiway A Reconstruction, and milestones during the design and bidding process.

Task 2.18 – Engineer’s Estimate of Probable Cost – SEH to provide an itemized summary of the engineer’s estimate of probable construction costs. Any ineligible work components will be called out separately.

Task 2.19 – Preliminary Project Budget – SEH will develop a preliminary project budget that will include anticipated engineering costs, construction costs, and administrative costs. Potential funding sources and prorations will also be included.

Work Element 3: Plan Drawings for Taxiway A South Reconstruction

Final design and plan drawings for Taxiway A (South), will be prepared in accordance with federal and state guidelines. FAA Advisory Circular (AC) 150/5300-13B, *Airport Design*, will be utilized in the development of the plan set. Other applicable ACs, FAA Orders, Regulations and Policy Memorandums will be used as needed. Specific tasks included with this work element include:

Task 3.1 – Environmental Coordination and Permits – SEH will refine the draft Stormwater Pollution Prevention Plan (SWPPP) and erosion control plans completed as part of the Engineer’s Design Report. Additionally, the scope of work includes completion and/or coordination of the following permits:

- MPCA NPDES permit application

Task 3.2 – Survey

Task 3.2.1 Topographic Survey - SEH will complete a comprehensive field survey of topography for the full length of Taxiway A as well as tie-in information for the adjacent taxiway connectors and ditch networks.

Task 3.3 – Construction Safety and Phasing Plan Development – SEH will refine and update the preliminary Construction Safety and Phasing Plan (CSPP) that was developed as part of the Engineer’s Design Report. SEH will meet with GPZ staff, airfield tenants and users to evaluate potential risks and determine appropriate mitigation tactics. The preliminary CSPP will be enhanced to determine final phasing and sequencing, construction limits, haul routes, contractor staging areas, and anticipated impacts to airport users and airfield facilities. A final CSPP will be uploaded to OE/AAA for FAA airspace review.

Task 3.4 – Detailed Final Design – Detailed final design to include establishment of final plan/profile, grading analysis, final pavement design, electrical design, surface and subsurface drainage design, including draitile and other related project elements.

Task 3.5 – Construction Plan Sheets – Specific plan sheets to be developed and included in the plan set are as follows:

- Title Sheet
- Construction Safety Plan
- Construction Phasing Plan
- Statement of Estimated Quantities
- Details and Construction Notes
- Utility Locations Plan
- Typical Section(s)
- Removal Plan
- Erosion Control Plan and Details
- Topography and Draitile Design
- Alignment Plan

- Pavement Marking Plan and Details
- Standard Plates
- Electrical Layout and Details, including taxiway edge lighting and signage

Task 3.6 – Quality Control Site Visit – SEH will conduct a quality control site visit during final design to verify base maps, utility locations, light locations, grades, and other relevant site features to ensure conformance to bidding documents.

Work Element 4: Construction Bidding Documents for Taxiway A South Reconstruction

Elements of the Construction Bidding Documents will be prepared in accordance with FAA Advisory Circulars (AC) 150/5300-13B, *Airport Design* and other applicable AC's, Orders, Regulations and Policy Memorandums. Specific tasks included with this work element include:

Task 4.1 – Construction Bidding Documents – A bid proposal project manual will be prepared that will consist of a table of contents, advertisement for bids, proposal documents, schedule of prices, State and Federal requirements, wage rates, technical specifications, and special provisions.

Task 4.2 – Construction Management Plan – A Construction Management Plan (CMP) and reporting program will be prepared per FAA guidelines and requirements.

Work Element 5: FAA Construction Plans and Specifications Full Review

Task 5.1 – FAA Coordination – SEH will coordinate with the FAA on submitting a 90% complete set of construction plans and specifications for FAA review.

Task 5.2 – Completion of Appendix 3, “Full Review Guide” – SEH will complete Appendix 3 “Construction Plans and Specifications “Full Review Guide” and submit the document with the 90% plans and specifications

Task 5.3 – Review and Address FAA Comments – SEH will review and address all FAA comments on the plans and specifications and develop documentation to track any comments received and how those comments were addressed.

Work Element 6: Bidding and Award

This task includes publishing the bidding documents, obtaining bids, and providing a recommendation for the award of the project.

Task 6.1 – Bidding –This task includes responding to questions from perspective bidders and issuing addenda as needed. Assisting the sponsor with obtaining construction bids for the project, including arranging for bid advertisement, attending bid opening and tabulating bid results.

Task 6.2 – Award –This task includes providing a recommendation of award of contractor to the Sponsor and assisting with requesting an FAA and State grant for the project.

Work Element 7: Project Management

This task includes the overall project management of Work Elements 1 through 7 noted above. Project Management includes administration of the project, design team meetings, agency and

Sponsor meetings, airfield user and tenant outreach meetings, and related project administration tasks.

Task 7.1 – Design Team Meetings –This task includes weekly meetings by the design team to discuss project elements, schedule, issues, and provide coordination between team members. It is anticipated to have 8 meetings for one hour each.

Task 7.2 – Agency Meetings –This task includes meetings by the design team, MnDOT Office of Aeronautics, FAA ADO, GPZ staff, and other individuals and agencies as needed, to discuss the project design development, schedule, and any other related items. It is anticipated to have 2 meetings for three hours each.

Task 7.3 – Public Involvement Meetings and Notifications – This task includes specific meetings with airfield businesses, airfield tenants, terminal tenants, City meetings, and other critical stakeholders to provide updates on the status of the project and address any issues or concerns. This task also includes coordination with MnDOT regarding the project schedule, any impacts to MnDOT owned equipment, and other coordination items. Project mailing and notifications will be sent out to the stakeholders.

Task 7.4 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, internal meetings, subconsultant oversight, progress reports, budget updates and monthly invoices.

Work Element 8: Closeout Report

Task 8.1 – Federal Closeout Report – The Consultant will prepare a “Project Closeout Report” as required by the FAA and using “Sponsors Guide to Quality Project Closeout Report Requirements” (FAA Publication). This effort will be specific for the design portion of the project.

Expenses:

1. Braun Intertec, St. Cloud, Minnesota will be completing the geotechnical investigation and report for the Taxiway A Reconstruction.
2. BARR Engineering Electrical and circuitry design will be performed by Barr Engineering, of Minneapolis, Minnesota.

March 21, 2024

Proposal QTB193454

Lindsay Reidt, PE
Short Elliott Hendrickson, Inc.
3535 Vadnais Center Drive
Saint Paul, MN 55110

Re: Proposal for a Geotechnical Evaluation
Proposed Taxiway A Reconstruction
Grand Rapids – Itasca County Airport
1500 7th Avenue Southeast
Grand Rapids, Minnesota

Dear Ms. Reidt:

Braun Intertec Corporation respectfully submits this proposal to complete a geotechnical evaluation for the proposed reconstruction of Taxiway A at the referenced site.

Project Information

Per our correspondence, the project will consist of reconstructing Taxiway A. We understand that the design and construction of the project will be completed in two phases (North and South), with the design and reconstruction of the South portion planned to take place first. As discussed, we will provide one geotechnical evaluation report to be used for both phases.

The taxiway is approximately 5,800 feet long, 50 feet wide, and is currently bituminous pavement. The locations of the soil borings will be surveyed and staked by Short Elliott Hendrickson, Inc. (SEH) prior to our drilling.

Purpose

The purpose of our geotechnical evaluation will be to characterize existing pavement and subsurface geologic conditions at selected exploration locations and evaluate their impact on the design and reconstruction of Taxiway A.

Scope of Services

We propose the following tasks to help achieve the stated purpose. If we encounter unfavorable or unforeseen conditions during the completion of our tasks that lead us to recommend an expanded scope of services, we will contact you to discuss the conditions before resuming our services.

Site Access

Based on aerial photographs and previous site visits, it appears that the boring locations are accessible to a truck drill rig. We understand our field work will be completed during daylight hours. We assume there will be no cause for delays in accessing the exploration locations.

Depending on access requirements, ground conditions or potential utility conflicts, our field crew may alter the exploration locations from those proposed to facilitate accessibility.

Utility Clearance

Prior to drilling or excavating, we will contact Gopher State One Call and arrange for notification of the appropriate utility vendors to mark and clear the exploration locations of public underground utilities. You, or your authorized representative, are responsible to notify us before we begin our work of the presence and location of any underground objects or private utilities that are not the responsibility of public agencies.

Pavement Coring

We will core pavements at the soil boring locations in Taxiway A. The cores will be extracted and visually evaluated. Thicknesses and pavement condition of the cores will be reported. We understand this work will take place when temperatures are above freezing.

Penetration Test Borings

As requested, we will drill 20 standard penetration test (SPT) borings for the project, extending them to 10 feet. Standard penetration tests will be performed continuously in the upper 5 feet and at 2 1/2-foot vertical intervals at greater depths. We will collect bag samples from the auger cuttings of the subgrade for laboratory testing.

If the borings encounter groundwater during or immediately after drilling of each boring, we will record the observed depth on the boring logs.

If the intended boring depths do not extend through unsuitable material, we will extend the borings at least 5 feet into suitable material at greater depths. If we identify a need for deeper (or additional) borings, we will contact you prior to increasing our total estimated drilled footage and submit a Change Order summarizing the anticipated additional effort and the associated cost, for your review and authorization.

MDH Notification and Sealing Record

Since our planned exploration will be less than 15 feet in depth, the Minnesota Statutes will not require that we complete any notifications or sealing records. If we extend any of the borings to a depth of 15 feet or greater, the Statutes requires that we seal the boreholes and complete a Sealing Record. If 25 feet or greater, the Statutes also require us to complete a Sealing Notification Form. If the Record or Form are required, we will contact you to discuss the additional fees and sealing requirements.

Borehole Abandonment

After completing the soil borings, the borings will be backfilled with cuttings and patched with bituminous cold patch. Over time, subsidence of borehole backfill may occur, requiring surface grades to be re-leveled or patches to be replaced. Braun Intertec is not assuming responsibility for re-leveling or re-patching subsequent to initial backfilling and patching long term.

Sample Review and Laboratory Testing

We will return recovered samples to our laboratory, where a geotechnical engineer will visually classify and log them. To help classify the materials encountered and estimate the engineering properties necessary to our analyses, we anticipate performing 15 moisture content tests, 5 mechanical analyses (through a #200 sieve only), 3 Atterberg limits tests, 3 sieve hydrometer analyses, 3 standard Proctor tests, and 3 California Bearing Ratio tests. We will adjust the actual number and type of tests based on the results of our borings.

Report

We will prepare a report including:

- A sketch showing the boring locations.
- Logs of the borings describing the materials encountered and presenting the results of our groundwater measurements and laboratory tests.
- A summary of the subsurface profile and groundwater conditions.
- Discussion identifying the subsurface conditions that will impact pavement design and construction.
- Discussion regarding the reuse of on-site materials during construction.
- Recommendations for preparing pavement subgrades, and the selection, placement, and compaction of fill.
- Recommended CBR value to aid in pavement design.

We will only submit an electronic copy of our report to you unless you request otherwise. At your request, we can also send the report to additional project team members.

Schedule

We anticipate performing our work according to the following schedule.

Drill rig mobilization – We understand that approval to proceed is planned for late Summer 2024. Drilling can be scheduled within about 6 weeks following receipt of written authorization

- Field exploration – 2 days on site to complete the work
- Classification and laboratory testing – within 3 weeks after completion of field exploration
- Preliminary results – within 2 weeks after completion of field exploration
- Final report submittal – within 5 weeks after completion of field exploration

If we cannot complete our proposed scope of services according to this schedule due to circumstances beyond our control, we may need to revise this proposal prior to completing the remaining tasks.

Fees

We will furnish the services described in this proposal for a lump sum fee of \$20,465, Please note that our drilling/field services were budgeted to occur within our normal work hours of 7:00 a.m. to 5:00 p.m., Monday through Friday. If conditions occur that require us to work outside of these hours discussed, we will request additional fees to cover our additional costs. Our work may extend over several invoicing periods. As such, we will submit partial progress invoices for work we perform during each invoicing period.

General Remarks

We will be happy to meet with you to discuss our proposed scope of services further and clarify the various scope components.

We appreciate the opportunity to present this proposal to you. Please sign and return a copy to us in its entirety.

We based the proposed fee on the scope of services described and the assumptions that you will authorize our services within 30 days and that others will not delay us beyond our proposed schedule.

Short Elliott Hendrickson, Inc.
Proposal QTB193454
March 21, 2024
Page 5

Our services will be provided under the terms of our Master Subcontractor Agreement dated March 19, 2024.

To have questions answered or schedule a time to meet and discuss our approach to this project further, please contact Aaron Tast at 320.980.3504 (atast@braunintertec.com).

Sincerely,

BRAUN INTERTEC CORPORATION



Colin L. Anderson, PE
Project Engineer



Aaron M. Tast
Aviation Account Leader



Joseph C. Butler, PE
Business Unit Leader, Senior Engineer

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

Authorizer's Firm

Authorizer's Signature

Authorizer's Name (please print or type)

Authorizer's Title

Date



March 18, 2024

Ms. Lindsay Reidt, PE
SHORT, ELLIOTT, HENDRICKSON, INC.
3535 Vadnais Center Drive
St. Paul, Minnesota 55110

**RE: GRAND RAPIDS, MN AIRPORT (GPZ) – TAXIWAY A EDGE LIGHTS
PROPOSAL FOR ELECTRICAL ENGINEERING SERVICES**

Dear Lindsay:

Thank you for contacting us regarding electrical engineering services for design of the Grand Rapids, MN Airport (GPZ) Taxiway A Edge Lighting project, which will include installation of new LED MITL's. We are providing this letter to outline our understanding of the project, our proposed scope of services, and our proposed fees for the design and bid phase of the project.

PROJECT DESCRIPTION

We understand that the Grand Rapids Airport will undertake a project to provide new LED MITL edge lights on Taxiway A. We understand from your email of March 12, 2024, that the project is anticipated to be constructed in two phases – one for the south half of the taxiway and one for the north half.

We have provided design projects on past projects at GPZ, and therefore we do not anticipate the need for a design-phase site verification visit. From photos and records that we have, it appears that the existing regulators are from 2008 and therefore we will plan to show replacement of the existing Taxiway A regulator. However, the existing L-854 control system appears to be in accordance with MNDOT Office of Aeronautics standards and therefore we plan to keep that in place as presently installed.

This proposal is intended to outline our scope of service pertaining to design and bid phase activities. However, we are not including construction phase services in this proposal. Such services may be provided in a separate, future proposal.

SCOPE OF SERVICES

In support of your efforts, Barr proposes to provide the following subconsultant services to Short, Elliott, Hendrickson (SEH):

1. Provide electrical design and circuiting redlines for SEH to incorporate on the AutoCAD drawing of the airfield plan, as has been our usual method on similar past projects.
2. Provide electrical design redlines for detail sheets for SEH to incorporate in their AutoCAD drawings, as has been our usual method for airfield related details.
3. Provide electrical vault plan and electrical schematic sheets (one each, total of 2 sheets) produced by Barr in AutoCAD format.
4. Provide technical specifications for the electrical work.
5. Bid-phase assistance including addressing questions which may arise from bidders and addenda items as necessary.
6. As mentioned above construction phase services are not included in the scope of this proposal.

PROPOSED FEE

Barr Engineering proposes to provide the outlined scope of services to SEH for a lump sum fee of \$5,900.

Services are billed monthly according to the work complete.

Thank you for the opportunity to present this proposal. We look forward to working with you on this project.

Sincerely,

BARR ENGINEERING CO.

Mark E. Ziemer, P.E.

Senior Electrical Engineer

ATTACHMENT B1
ESTIMATED FEES AND EXPENSES
TAXIWAY A (SOUTH) RECONSTRUCTION PHASE 1 - DESIGN
GRAND RAPIDS-ITASCA COUNTY AIRPORT (GPZ)
GRAND RAPIDS, MINNESOTA

Task No.	Task Description	Project Manager	Project Engineer	Aviation Planner	Senior Technician	Survey Crew Chief	Instrument Operator	Environmental Scientist	Admin Technician
Project Formulation									
1.1	Scoping, Review, and Coordination	10	10	4					8
1.2	Project Formulation	4	8	4					2
Engineer's Design Report									
2.1	General Scope of Work	1	2						
2.2	Photographs		2						
2.3	Applicable AIP Standards	1	2	1					
2.4	Airport Operational Safety Considerations	1	2		2				
2.5	Pavement Design	1	2						
2.6	Drainage Design	1	10		2				
2.7	Airfield Lighting and Signage	1	8		2				
2.8	Navigational Aids								
2.9	Pavement Marking	1	2		2				
2.10	Environmental Considerations	1	2	2				4	
2.11	Existing Utilities	1	2		2				
2.12	Miscellaneous Work Items	1	2						
2.13	Life Cycle Cost Analysis	1	4						
2.14	Modification to AIP Design Standards	1	2						
2.15	AIP Non-eligible Work Items	1	2						
2.16	Disadvantaged Business Enterprise (DBE)		16						2
2.17	Project Schedule	4	4	2					
2.18	Engineer's Estimate of Probable Cost	4	8						
2.19	Preliminary Project Budget	4	4						
Plan Drawings for Taxiway A South Reconstruction									
3.1	Environmental Coordination and Permits <i>MPCA NPDES/SWPPP Permit</i>	4	8	5				8	
3.2	Survey	2	8	4				8	
3.2.1	Topographic Survey		20		4	40	40		
3.3	Construction Safety and Phasing Plan Development	4	16	4	4				
3.4	Detailed Final Design	4	20		20				
3.5	Construction Plan Sheets <i>Title Sheet</i> <i>Construction Safety Plan</i> <i>Construction Phasing Plans</i> <i>Statement of Estimated Quantities</i> <i>Details and Construction Notes</i> <i>Utility Locations Plan</i> <i>Typical Section(s)</i> <i>Removal Plan</i> <i>Erosion Control Plan and Details</i> <i>Topography and DRAINAGE Drawings</i> <i>Alignment Plan</i> <i>Pavement Marking Plan and Details</i> <i>Standard Plates</i> <i>Electrical Layout and Details</i>	1	1		1				
		2	2		2				
		1	4		2				
		1	2		1				
			2		2				
		1	2		2				
		1	4		2				
		4	20		4				
			2		2				
		1	4		2				
			2		2				
		4	20		8				
3.6	Quality Control Site Visit	12	12						
Construction Bidding Documents for Taxiway A South Reconstruction									
4.1	Construction Bidding Documents	10	20						8
4.2	Construction Management Plan (CMP)	4	8						
FAA Construction Plans and Specifications Full Review									
5.1	FAA Coordination	8	8	4					
5.2	Completion of Appendix 3	0	4						
5.3	Review and Address FAA Comments	4	8		8				
Bidding and Award									
6.1	Bidding	8	8	2	2				4
6.2	Award	6	5	2	2				4
Project Management									
7.1	Design Team Meetings	8	8	4	8				4
7.2	Agency Meetings	8	6	2	2				
7.3	Public Involvement Meetings and Notifications	8	8	4	4				
7.4	Overall Project Management	30	8	4					4
Closeout Report									
8.1	Federal Closeout Report	4	8	2					4
Total hours per labor category		180	360	50	100	40	40	20	40

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Project Manager	180	\$80.83	\$14,549.22
Project Engineer	360	\$48.75	\$17,550.54
Aviation Planner	50	\$39.61	\$1,980.30
Senior Technician	100	\$48.29	\$4,828.95
Survey Crew Chief	40	\$43.81	\$1,752.24
Instrument Operator	40	\$43.81	\$1,752.24
Environmental Scientist	20	\$38.75	\$774.90
Admin Technician	40	\$35.61	\$1,424.22
Total Direct Labor Costs:	830		\$44,612.61
Direct Salary Costs plus Overhead			\$84,763.96
Total Labor Costs			\$129,376.57
Fixed Fee on Labor Costs (15%)			\$19,406.49

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Geotechnical Engineering (Braun Intertec) - Subconsultant	1	\$20,465.00	\$20,465.00
BARR Electrical Engineering	1	\$5,900.00	\$5,900.00
Computer Charge	830	\$5.55	\$4,606.50
Survey Equipment (Total Station)	40	\$45.00	\$1,800.00
Survey Equipment (GPS)	40	\$45.00	\$1,800.00
Survey Van	40	\$4.90	\$196.00
Tier 4 drone / LIDAR Rental Fee	1	\$2,200.00	\$2,200.00
Ground Control Rental Fee	1	\$300.00	\$300.00
SEH Drone Vehicle (Hrs)	12	\$4.90	\$58.80
Employee Mileage	2000	\$0.67	\$1,340.00
Reproductions / Miscellaneous	1	\$1,000.00	\$1,000.00
Total Expenses			\$39,666.30

SUMMARY:

Total Labor Costs + Expenses + Fixed Fee	\$188,449.36
Estimated Total	\$188,400.00

ATTACHMENT A2

Grand Rapids – Itasca County Airport (GPZ)

Taxiway A (North) Planning Study

Scope of Work

(Planning Study and Closeout)

General – The existing taxiway is at the end of its useful life and the 2024 project will consist of the design for the reconstruction of the south half of the taxiway (2,800 feet), with bidding proposed in 2025 and construction proposed to occur in 2026. A planning study will be conducted on the north half of the taxiway (2,900 feet from the Runway 16 end of the taxiway through connector taxiway A3) to evaluate current design standards, specifically direct access from the apron at Taxiway A1 and the intersection of Taxiway A and Runway 5/23.

The existing intersection between crosswind Runway 5/23 and parallel Taxiway A does not meet design standards. Parallel Taxiway A does not meet the runway at a 90-degree angle which is considered a safety hazard to pilots and visibility to both runway ends while crossing or taxiing to takeoff on the runway. This study will evaluate alternatives and solutions to meet design standards.

Proposed project limits are included in **Figure 1**.



This work scope includes the north taxiway planning study and Federal closeout report.

Project Deliverables – The project deliverables of this scope include the following:

1. Project formulation
2. Taxiway A North Planning Study & Airport Layout Plan Update
3. Taxiway A Airports Geographic Information System (AGIS)
4. Project management
5. Federal project closeout.

This work scope includes:

Work Element 1: Project Formulation

Task 1.1 – Scoping, Review, and Coordination – Short Elliott Hendrickson (SEH and/or Consultant) will coordinate with the City of Grand Rapids and the Grand Rapids-Itasca County Airport (GPZ) (sponsor) to develop the appropriate scope of work. Additional coordination will include task definition and establishment of project goals and objectives. The scope of work will be presented to FAA and MnDOT Office of Aeronautics for review and will be updated based on input received.

Task 1.2 – Project Formulation – SEH will complete the project and grant application documentation, environmental review submittals, cost breakdowns and eligibility determinations for the approved scope of work.

Work Element 2: Project Management

This task includes the overall project management of the planning study. Project Management includes administration of the project, project team meetings, agency and Sponsor meetings, and related project administration tasks.

Task 2.1 – Project Team Meetings –This task includes bi-weekly meetings by the project team to discuss project elements, schedule, issues, and provide coordination between team members. It is anticipated to have 10 virtual meetings for one hour each.

Task 2.2 – Planning Study Agency Meetings - This task includes three virtual meetings for the planning study by the consultant team, MnDOT Office of Aeronautics, FAA ADO, GPZ staff, and other individuals and agencies as needed to discuss the elements determined through the study. One meeting will be to evaluate the draft materials and alternatives, one meeting will finalize the alternatives, and the last meeting will be to review the final documentation.

Task 2.3 – Overall Project Management –This task includes project coordination and administration, including Sponsor and agency communication, subconsultant oversight, progress reports, budget updates, and monthly invoices.

Work Element 3: Taxiway A North Planning Study & Airport Layout Plan (ALP) Update

There are two design elements to address with the north half of Taxiway A. These elements will be reviewed throughout this planning study.

Task 3.1 – Validate Airplane Design Group (ADG) / Taxiway Design Group (TDG) – No new critical aircraft determination or forecast will be required. The FAA ADO has accepted ADG II/TDG 2A as the critical aircraft for Runway 16/34 and for use in the Taxiway A reconstruction design. Only a review of the Calendar Year 2023 TFMSC data will be needed to validate the existing critical aircraft. The aviation forecasts from the previous Master Plan study were approved August 5, 2019, with a RDC of B-II large.

Task 3.2 – Direct Access – Direct access from the apron area to the Runway 16 end of the runway will be evaluated. Three (3) alternatives will be developed to mitigate this design standard based on FAA Advisory Circular (AC) 150/5300-13B, *Airport Design*. Per previous discussions with the FAA ADO, one of the alternatives will consider removing any direct taxiway access connection from the apron to the Runway 16 end and expanding the existing apron taxilane near the tie-downs to meet ADG II/TDG 2A standards.

Task 3.3 – Taxiway A and Runway 5/23 Intersection – The existing intersection between Taxiway A and the Runway 5 end does not meet design standards as documented in AC 150/5300-13B. Four (4) alternatives will be developed to determine the best layout for this intersection that meets standards. This alternative analysis will not necessarily be limited to the existing Runway 5 end. The alternatives will be evaluated, a practicability assessment will be completed, and a proposed solution will be sent to the FAA ADO for consideration. Potential wetland impacts will be considered with the alternatives analysis using existing wetland data available from previous projects at the airport and existing sources. No wetland field work is included with this planning study.

Task 3.4 – Planning Study Report – This task includes completing the planning study report documenting the findings from the alternative analysis and documenting the process completed for this project. The FAA Standard Operating Procedure (SOP) for FAA Review and Approval of ALPs (ARP SOP 2.00, effective October 1, 2013), Narrative Report section, will be utilized for the preparation of the report. The report will include the following sections:

- Executive Summary
- Aeronautical Forecasts – Critical Aircraft Validation based on Task 3.1 above
- Alternatives and Proposed Development
- Runway Protection Zone description (if applicable for Runway 5/23)
- Development Summary for development/inclusion in the Capital Improvement Plan
- Environmental Overview

Task 3.5 – ALP Update – This task includes updating the conditionally approved 2018 Airport Layout Plan based on the results of this planning study. All sheets depicting the elements changed through this planning study will be updated. The FAA Standard Operating Procedure (SOP) for FAA Review and Approval of ALPs (ARP SOP 2.00, effective October 1, 2013) will be utilized in the preparation of the ALP update. The ALP set will be prepared in AutoCAD. Coordinates will be shown in NAD 83 datum and elevations in NAVD 88 datum.

Deliverables: FAA, MnDOT, and locally accepted (airport sponsor) Planning Study report.

Draft Planning Study: An electronic copy (via OneDrive) of the final draft Planning Study will be submitted to the airport sponsor, MnDOT, and the FAA for review.

Final Planning Study: An electronic copy (via OneDrive) of the final report will be submitted to the airport sponsor, MnDOT, and the FAA for their files.

Work Element 4: Closeout Report

Task 4.1 – Federal Closeout Report – The Consultant will prepare a “Project Closeout Report” as required by the FAA and using “Sponsors Guide to Quality Project Closeout Report Requirements” (FAA Publication). This effort will be specific for the design portion of the project.

**ATTACHMENT B2
ESTIMATED FEES AND EXPENSES
TAXIWAY A (NORTH) PLANNING STUDY
GRAND RAPIDS-ITASCA COUNTY AIRPORT (GPZ)
GRAND RAPIDS, MINNESOTA**

Task No.	Task Description	Project Manager/Senior Planner	Project Engineer	Aviation Planner	Project Coordinator
<i>Project Formulation</i>					
1.1	Scoping, Review, and Coordination	6	2		2
1.2	Project Formulation	2	1		2
<i>Project Management</i>					
2.1	Project Team Meetings (10 virtual meetings)	10	4	10	
2.2	Agency Meetings (3 virtual meetings)	10	6	6	
2.3	Overall Project Management	10	2		8
<i>Taxiway A North Planning Study & ALP Update</i>					
3.1	Validate ADG / TDG	8	2	10	
3.2	Direct Access	10	6	30	
3.3	Taxiway A and Runway 5/23 Intersection	20	10	60	
3.4	Planning Study Report	20	2	20	
3.5	ALP Update	4	2	20	
<i>Closeout Report</i>					
4.1	Federal Closeout Report	2		6	2
Total hours per labor category		102	37	162	14

ESTIMATE OF LABOR COSTS:

Labor Category	Hours	Rate	Extension
Project Manager/Senior Planner	102	\$72.03	\$7,347.06
Project Engineer	37	\$50.13	\$1,854.81
Aviation Planner	162	\$37.72	\$6,110.64
Project Coordinator	14	\$42.18	\$590.52
Total Direct Labor Costs:	315		\$15,903.03
Direct Salary Costs plus Overhead			\$30,215.76
Total Labor Costs			\$46,118.79

Fixed Fee on Labor Costs (15%)

\$6,917.82

ESTIMATE OF EXPENSES:

Direct Expenses	Quantity	Rate	Extension
Computer Charge	315	\$5.55	\$1,748.25
Reproductions / Miscellaneous	1	\$100.00	\$100.00
Total Expenses			\$1,848.25

SUMMARY:

Total Labor Costs + Expenses + Fixed Fee

\$54,884.86

Estimated Total

\$54,900.00

ATTACHMENT C

ACCESS TO RECORDS AND REPORTS

The Contractor must maintain an acceptable cost accounting system. The Contractor agrees to provide the sponsor, the Federal Aviation Administration, and the Comptroller General of the United States or any of their duly authorized representatives, access to any books, documents, papers, and records of the contractor which are directly pertinent to the specific contract for the purpose of making audit, examination, excerpts and transcriptions. The Contractor agrees to maintain all books, records and reports required under this contract for a period of not less than three years after final payment is made and all pending matters are closed.

BREACH OF CONTRACT TERMS

Any violation or breach of terms of this contract on the part of the consultant or its subconsultants may result in the suspension or termination of this contract or such other action that may be necessary to enforce the rights of the parties of this agreement.

Owner will provide Consultant written notice that describes the nature of the breach and corrective actions the Consultant must undertake in order to avoid termination of the contract. Owner reserves the right to withhold payments to Consultant until such time the Consultant corrects the breach or the Owner elects to terminate the contract. The Owner's notice will identify a specific date by which the Consultant must correct the breach. Owner may proceed with termination of the contract if the Consultant fails to correct the breach by deadline indicated in the Owner's notice.

The duties and obligations imposed by the Contract Documents and the rights and remedies available thereunder are in addition to, and not a limitation of, any duties, obligations, rights and remedies otherwise imposed or available by law.

GENERAL CIVIL RIGHTS PROVISIONS

In all its activities within the scope of its airport program, the Contractor agrees to comply with pertinent statutes, Executive Orders, and such rules as identified in Title VI List of Pertinent Nondiscrimination Acts and Authorities to ensure that no person shall, on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability be excluded from participating in any activity conducted with or benefiting from Federal assistance.

This provision is in addition to that required by Title VI of the Civil Rights Act of 1964.

Title VI Solicitation Notice:

The **Sponsor**, in accordance with the provisions of Title VI of the Civil Rights Act of 1964 (78 Stat. 252, 42 U.S.C. §§ 2000d to 2000d-4) and the Regulations, hereby notifies all bidders or offerors that it will affirmatively ensure that for any contract entered into pursuant to this advertisement, [select businesses, or disadvantaged business enterprises or airport concession disadvantaged business enterprises] will be afforded full and fair opportunity to submit bids in response to this invitation and no businesses will be discriminated against on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in consideration for an award.

Title VI List of Pertinent Nondiscrimination Acts and Authorities

During the performance of this contract, the Contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the "Contractor") agrees to comply with the following non-discrimination statutes and authorities; including but not limited to:

Title VI of the Civil Rights Act of 1964 (42 USC § 2000d *et seq.*, 78 stat. 252) (prohibits discrimination on the basis of race, color, national origin);

49 CFR part 21 (Non-discrimination in Federally-Assisted programs of the Department of Transportation—Effectuation of Title VI of the Civil Rights Act of 1964);

The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, (42 USC § 4601) (prohibits unfair treatment of persons displaced or whose property has been acquired because of Federal or Federal-aid programs and projects);

Section 504 of the Rehabilitation Act of 1973 (29 USC § 794 *et seq.*), as amended (prohibits discrimination on the basis of disability); and 49 CFR part 27 (Nondiscrimination on the Basis of Disability in Programs or Activities Receiving Federal Financial Assistance);

The Age Discrimination Act of 1975, as amended (42 USC § 6101 *et seq.*) (prohibits discrimination on the basis of age); Airport and Airway Improvement Act of 1982 (49 USC § 47123), as amended (prohibits discrimination based on race, creed, color, national origin, or sex);

The Civil Rights Restoration Act of 1987 (PL 100-259) (broadened the scope, coverage and applicability of Title VI of the Civil Rights Act of 1964, the Age Discrimination Act of 1975 and Section 504 of the Rehabilitation Act of 1973, by expanding the definition of the terms “programs or activities” to include all of the programs or activities of the Federal-aid recipients, sub-recipients and contractors, whether such programs or activities are Federally funded or not);

Titles II and III of the Americans with Disabilities Act of 1990 (42 USC § 12101, *et seq.*) (prohibit discrimination on the basis of disability in the operation of public entities, public and private transportation systems, places of public accommodation, and certain testing entities) as implemented by U.S. Department of Transportation regulations at 49 CFR parts 37 and 38;

The Federal Aviation Administration’s Nondiscrimination statute (49 USC § 47123) (prohibits discrimination on the basis of race, color, national origin, and sex);

Executive Order 12898, Federal Actions to Address Environmental Justice in Minority Populations and Low-Income Populations (ensures nondiscrimination against minority populations by discouraging programs, policies, and activities with disproportionately high and adverse human health or environmental effects on minority and low-income populations);

Executive Order 13166, Improving Access to Services for Persons with Limited English Proficiency, and resulting agency guidance, national origin discrimination includes discrimination because of limited English proficiency (LEP). To ensure compliance with Title VI, you must take reasonable steps to ensure that LEP persons have meaningful access to your programs [70 Fed. Reg. 74087 (2005)];

Title IX of the Education Amendments of 1972, as amended, which prohibits you from discriminating because of sex in education programs or activities (20 USC § 1681, *et seq.*).

Compliance with Nondiscrimination Requirements

During the performance of this contract, the contractor, for itself, its assignees, and successors in interest (hereinafter referred to as the “contractor”) agrees as follows:

1. **Compliance with Regulations:** The contractor (hereinafter includes consultants) will comply with the Title VI List of Pertinent Nondiscrimination Acts And Authorities, as they may be amended from time to time, which are herein incorporated by reference and made a part of this contract.
2. **Non-discrimination:** The Contractor, with regard to the work performed by it during the contract, will not discriminate on the grounds of race, color, national origin (including limited English proficiency), creed, sex (including sexual orientation and gender identity), age, or disability in the selection and retention of subcontractors, including procurements of materials and leases of equipment. The Contractor will not participate directly or indirectly in the discrimination prohibited by the Nondiscrimination Acts and Authorities, including employment practices when the contract covers any activity, project, or program set forth in Appendix B of 49 CFR part 21.
3. **Solicitations for Subcontracts, Including Procurements of Materials and Equipment:** In all solicitations, either by competitive bidding, or negotiation made by the contractor for work to be performed under a subcontract, including procurements of materials, or leases of equipment, each potential subcontractor or supplier will be notified by the contractor of the contractor’s obligations under this contract and the Nondiscrimination Acts And Authorities on the grounds of race, color, or national origin.
4. **Information and Reports:** The contractor will provide all information and reports required by the Acts, the Regulations, and directives issued pursuant thereto and will permit access to its books, records, accounts, other sources of information, and its facilities as may be determined by the sponsor or the Federal Aviation

Administration to be pertinent to ascertain compliance with such Nondiscrimination Acts And Authorities and instructions. Where any information required of a contractor is in the exclusive possession of another who fails or refuses to furnish the information, the contractor will so certify to the sponsor or the Federal Aviation Administration, as appropriate, and will set forth what efforts it has made to obtain the information.

- 5. **Sanctions for Noncompliance:** In the event of a contractor’s noncompliance with the Non-discrimination provisions of this contract, the sponsor will impose such contract sanctions as it or the Federal Aviation Administration may determine to be appropriate, including, but not limited to:
 - a. Withholding payments to the contractor under the contract until the contractor complies; and/or
 - b. Cancelling, terminating, or suspending a contract, in whole or in part.

- 6. **Incorporation of Provisions:** The contractor will include the provisions of paragraphs one through six in every subcontract, including procurements of materials and leases of equipment, unless exempt by the Acts, the Regulations and directives issued pursuant thereto. The contractor will take action with respect to any subcontract or procurement as the sponsor or the Federal Aviation Administration may direct as a means of enforcing such provisions including sanctions for noncompliance. Provided, that if the contractor becomes involved in, or is threatened with litigation by a subcontractor, or supplier because of such direction, the contractor may request the sponsor to enter into any litigation to protect the interests of the sponsor. In addition, the contractor may request the United States to enter into the litigation to protect the interests of the United States.

CLEAN AIR AND WATER POLLUTION CONTROL

Contractor agrees to comply with all applicable standards, orders, and regulations issued pursuant to the Clean Air Act (42 U.S.C. § 740-7671q) and the Federal Water Pollution Control Act as amended (33 U.S.C. § 1251-1387). The Contractor agrees to report any violation to the Owner immediately upon discovery. The Owner assumes responsibility for notifying the Environmental Protection Agency (EPA) and the Federal Aviation Administration.

Contractor must include this requirement in all subcontracts that exceeds \$150,000.

CERTIFICATION OF OFFERER/BIDDER REGARDING DEBARMENT

By submitting a bid/proposal under this solicitation, the bidder or offeror certifies that neither it nor its principals are presently debarred or suspended by any Federal department or agency from participation in this transaction.

CERTIFICATION OF LOWER TIER CONTRACTORS REGARDING DEBARMENT

The successful bidder, by administering each lower tier subcontract that exceeds \$25,000 as a “covered transaction”, must verify each lower tier participant of a “covered transaction” under the project is not presently debarred or otherwise disqualified from participation in this federally assisted project. The successful bidder will accomplish this by:

- 1. Checking the System for Award Management at website: <http://www.sam.gov>
- 2. Collecting a certification statement similar to the Certificate Regarding Debarment and Suspension (Bidder or Offeror), above.
- 3. Inserting a clause or condition in the covered transaction with the lower tier contract

If the FAA later determines that a lower tier participant failed to disclose to a higher tier participant that it was excluded or disqualified at the time it entered the covered transaction, the FAA may pursue any available remedies, including suspension and debarment of the non-compliant participant.

DISADVANTAGED BUSINESS ENTERPRISES

Contract Assurance (§ 26.13) - The contractor or subcontractor shall not discriminate on the basis of race, color, national origin, or sex in the performance of this contract. The contractor shall carry out applicable requirements of 49 CFR Part 26 in the award and administration of DOT assisted contracts. Failure by the contractor to carry out these requirements is a material breach of this contract, which may result in the termination of this contract or such other remedy, as the recipient deems appropriate.

Prompt Payment (§26.29) - The prime contractor agrees to pay each subcontractor under this prime contract for satisfactory performance of its contract no later than {specify number} days from the receipt of each payment the prime

contractor receives from {Name of recipient}. The prime contractor agrees further to return retainage payments to the subcontractor within {specify the same number as above} days after the subcontractor's work is satisfactorily completed. Any delay or postponement of payment from the above referenced time frame may occur only for good cause following written approval of the {Name of Recipient}. This clause applies to both DBE and non-DBE subcontractors.

A1.1.1 RACE/GENDER NEUTRAL LANGUAGE

The requirements of 49 CFR part 26 apply to this contract. It is the policy of the Sponsor to practice nondiscrimination based on race, color, sex or national origin in the award or performance of this contract. The Owner encourages participation by all firms qualifying under this solicitation regardless of business size or ownership.

TEXTING WHEN DRIVING

In accordance with Executive Order 13513, "Federal Leadership on Reducing Text Messaging While Driving" (10/1/2009) and DOT Order 3902.10 "Text Messaging While Driving" (12/30/2009), the FAA encourages recipients of Federal grant funds to adopt and enforce safety policies that decrease crashes by distracted drivers, including policies to ban text messaging while driving when performing work related to a grant or sub-grant.

In support of this initiative, the Owner encourages the Contractor to promote policies and initiatives for its employees and other work personnel that decrease crashes by distracted drivers, including policies that ban text messaging while driving motor vehicles while performing work activities associated with the project. The Contractor must include the substance of this clause in all sub-tier contracts exceeding \$10,000 and involve driving a motor vehicle in performance of work activities associated with the project.

CERTIFICATION REGARDING DOMESTIC PREFERENCES FOR PROCUREMENTS

The Bidder or Offeror certifies by signing and submitting this bid or proposal that, to the greatest extent practicable, the Bidder or Offeror has provided a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including, but not limited to, iron, aluminum, steel, cement, and other manufactured products) in compliance with 2 CFR § 200.322.

FEDERAL FAIR LABOR STANDARDS ACT

All contracts and subcontracts that result from this solicitation incorporate by reference the provisions of 29 CFR part 201, the Federal Fair Labor Standards Act (FLSA), with the same force and effect as if given in full text. The FLSA sets minimum wage, overtime pay, recordkeeping, and child labor standards for full and part time workers.

The Consultant has full responsibility to monitor compliance to the referenced statute or regulation. The Consultant must address any claims or disputes that arise from this requirement directly with the U.S. Department of Labor – Wage and Hour Division

CERTIFICATION REGARDING LOBBYING

The bidder or offeror certifies by signing and submitting this bid or proposal, to the best of his or her knowledge and belief, that:

- (1) No Federal appropriated funds have been paid or will be paid, by or on behalf of the Bidder or Offeror, to any person for influencing or attempting to influence an officer or employee of an agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.
- (2) If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant, loan, or cooperative agreement, the undersigned shall complete and submit Standard Form-LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions.
- (3) The undersigned shall require that the language of this certification be included in the award documents for all sub-awards at all tiers (including subcontracts, sub-grants, and contracts under grants, loans, and cooperative agreements) and that all sub-recipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

OCCUPATIONAL SAFETY AND HEALTH ACT

All contracts and subcontracts that result from this solicitation incorporate by reference the requirements of 29 CFR Part 1910 with the same force and effect as if given in full text. Contractor must provide a work environment that is free from recognized hazards that may cause death or serious physical harm to the employee. The Contractor retains full responsibility to monitor its compliance and their subcontractor's compliance with the applicable requirements of the Occupational Safety and Health Act of 1970 (20 CFR Part 1910). Contractor must address any claims or disputes that pertain to a referenced requirement directly with the U.S. Department of Labor – Occupational Safety and Health Administration.

PROHIBITION ON CERTAIN TELECOMMUNICATIONS AND VIDEO SURVEILLANCE SERVICES OR EQUIPMENT

Contractor and Subcontractor agree to comply with mandatory standards and policies relating to use and procurement of certain telecommunications and video surveillance services or equipment in compliance with the National Defense Authorization Act [Public Law 115-232 § 889(f)(1)].

RIGHTS TO INVENTIONS

Contracts or agreements that include the performance of experimental, developmental, or research work must provide for the rights of the Federal Government and the Owner in any resulting invention as established by 37 CFR part 401, Rights to Inventions Made by Non-profit Organizations and Small Business Firms under Government Grants, Contracts, and Cooperative Agreements. This contract incorporates by reference the patent and inventions rights as specified within in the 37 CFR §401.14. Contractor must include this requirement in all sub-tier contracts involving experimental, developmental or research work.

CERTIFICATION OF OFFERER/BIDDER REGARDING TAX DELINQUENCY AND FELONY CONVICTIONS

The applicant must complete the following two certification statements. The applicant must indicate its current status as it relates to tax delinquency and felony conviction by inserting a checkmark (✓) in the space following the applicable response. The applicant agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification in all lower tier subcontracts.

Certifications

- a) The applicant represents that it is () is not (✓) a corporation that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.
- b) The applicant represents that it is () is not (✓) is not a corporation that was convicted of a criminal violation under any Federal law within the preceding 24 months.

Note

If an applicant responds in the affirmative to either of the above representations, the applicant is ineligible to receive an award unless the sponsor has received notification from the agency suspension and debarment official (SDO) that the SDO has considered suspension or debarment and determined that further action is not required to protect the Government's interests. The applicant therefore must provide information to the owner about its tax liability or conviction to the Owner, who will then notify the FAA Airports District Office, which will then notify the agency's SDO to facilitate completion of the required considerations before award decisions are made.

Term Definitions

Felony conviction: Felony conviction means a conviction within the preceding twentyfour (24) months of a felony criminal violation under any Federal law and includes conviction of an offense defined in a section of the U.S. code that specifically classifies

the offense as a felony and conviction of an offense that is classified as a felony under 18

U.S.C. § 3559.

Tax Delinquency: A tax delinquency is any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted, or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability.

Termination for Convenience (Professional Services)

The Owner may, by written notice to the Consultant, terminate this Agreement for its convenience and without cause or default on the part of Consultant. Upon receipt of the notice of termination, except as explicitly directed by the Owner, the Contractor must immediately discontinue all services affected.

Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

Termination for Default (Professional Services)

Either party may terminate this Agreement for cause if the other party fails to fulfill its obligations that are essential to the completion of the work per the terms and conditions of the Agreement. The party initiating the termination action must allow the breaching party an opportunity to dispute or cure the breach.

The terminating party must provide the breaching party [7] days advance written notice of its intent to terminate the Agreement. The notice must specify the nature and extent of the breach, the conditions necessary to cure the breach, and the effective date of the termination action. The rights and remedies in this clause are in addition to any other rights and remedies provided by law or under this agreement.

a) **Termination by Owner:** The Owner may terminate this Agreement in whole or in part, for the failure of the Consultant to:

1. Perform the services within the time specified in this contract or by Owner approved extension;
2. Make adequate progress so as to endanger satisfactory performance of the Project;
3. Fulfill the obligations of the Agreement that are essential to the completion of the Project.

Upon receipt of the notice of termination, the Consultant must immediately discontinue all services affected unless the notice directs otherwise. Upon termination of the Agreement, the Consultant must deliver to the Owner all data, surveys, models, drawings, specifications, reports, maps, photographs, estimates, summaries, and other documents and materials prepared by the Engineer under this contract, whether complete or partially complete.

Owner agrees to make just and equitable compensation to the Consultant for satisfactory work completed up through the date the Consultant receives the termination notice. Compensation will not include anticipated profit on non-performed services.

Owner further agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

If, after finalization of the termination action, the Owner determines the Consultant was not in default of the Agreement, the rights and obligations of the parties shall be the same as if the Owner issued the termination for the convenience of the Owner.

b) **Termination by Consultant:** The Consultant may terminate this Agreement in whole or in part, if the Owner:

1. Defaults on its obligations under this Agreement;
2. Fails to make payment to the Consultant in accordance with the terms of this Agreement;

3. Suspends the Project for more than [180] days due to reasons beyond the control of the Consultant.

Upon receipt of a notice of termination from the Consultant, Owner agrees to cooperate with Consultant for the purpose of terminating the agreement or portion thereof, by mutual consent. If Owner and Consultant cannot reach mutual agreement on the termination settlement, the Consultant may, without prejudice to any rights and remedies it may have, proceed with terminating all or parts of this Agreement based upon the Owner's breach of the contract.

In the event of termination due to Owner breach, the Engineer is entitled to invoice Owner and to receive full payment for all services performed or furnished in accordance with this Agreement and all justified reimbursable expenses incurred by the Consultant through the effective date of termination action. Owner agrees to hold Consultant harmless for errors or omissions in documents that are incomplete as a result of the termination action under this clause.

TRADE RESTRICTION CERTIFICATION

By submission of an offer, the Offeror certifies that with respect to this solicitation and any resultant contract, the Offeror

- a. is not owned or controlled by one or more citizens of a foreign country included in the list of countries that discriminate against U.S. firms as published by the Office of the United States Trade Representative (U.S.T.R.);
- b. has not knowingly entered into any contract or subcontract for this project with a person that is a citizen or national of a foreign country included on the list of countries that discriminate against U.S. firms as published by the U.S.T.R; and
- c. has not entered into any subcontract for any product to be used on the Federal on the project that is produced in a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R.

This certification concerns a matter within the jurisdiction of an agency of the United States of America and the making of a false, fictitious, or fraudulent certification may render the maker subject to prosecution under Title 18, United States Code, Section 1001.

The Offeror/Contractor must provide immediate written notice to the Owner if the Offeror/Contractor learns that its certification or that of a subcontractor was erroneous when submitted or has become erroneous by reason of changed circumstances. The Contractor must require subcontractors provide immediate written notice to the Contractor if at any time it learns that its certification was erroneous by reason of changed circumstances.

Unless the restrictions of this clause are waived by the Secretary of Transportation in accordance with 49 CFR 30.17, no contract shall be awarded to an Offeror or subcontractor:

- (1) who is owned or controlled by one or more citizens or nationals of a foreign country included on the list of countries that discriminate against U.S. firms published by the U.S.T.R. or
- (2) whose subcontractors are owned or controlled by one or more citizens or nationals of a foreign country on such U.S.T.R. list or
- (3) who incorporates in the public works project any product of a foreign country on such U.S.T.R. list;

Nothing contained in the foregoing shall be construed to require establishment of a system of records in order to render, in good faith, the certification required by this provision. The knowledge and information of a contractor is not required to exceed that which is normally possessed by a prudent person in the ordinary course of business dealings.

The Offeror agrees that, if awarded a contract resulting from this solicitation, it will incorporate this provision for certification without modification in all lower tier subcontracts. The contractor may rely on the certification of a prospective subcontractor that it is not a firm from a foreign country included on the list of countries that discriminate against U.S. firms as published by U.S.T.R, unless the Offeror has knowledge that the certification is erroneous.

This certification is a material representation of fact upon which reliance was placed when making an award. If it is later determined that the Contractor or subcontractor knowingly rendered an erroneous certification, the Federal Aviation Administration may direct through the Owner cancellation of the contract or subcontract for default at no cost to the Owner or the FAA.

VETERAN'S PREFERENCE

In the employment of labor (excluding executive, administrative, and supervisory positions), the contractor and all sub-tier contractors must give preference to covered veterans as defined within Title 49 United States Code Section 47112

Covered veterans include Vietnam-era veterans, Persian Gulf veterans, Afghanistan-Iraq war veterans, disabled veterans, and small business concerns (as defined by 15 U.S.C. 632) owned and controlled by disabled veterans. This preference only applies when there are covered veterans readily available and qualified to perform the work to which the employment relates.

GRAND RAPIDS - ITASCA COUNTY

AIRPORT

1500 SE 7th Avenue - Grand Rapids, MN 55744

May 28th, 2024

RE: Grand Rapids-Itasca County Airport
FFY 2024 Grant Request

Matt Lebens, P.E.
Airport Development Engineer
Minnesota Department of Transportation
Office of Aeronautics
395 John Ireland Blvd.
St. Paul, MN 55155

Dear Mr. Lebens:

The City of Grand Rapids is requesting a grant from the Federal Aviation Administration (FAA) for the Grand Rapids-Itasca County Airport for Federal Fiscal Year 2024. The grant request is for a planning study for the Taxiway A (North 2,900 feet) reconstruction project and design for the reconstruction of the south half (2,800 feet) of Taxiway A. The City is requesting Bipartisan Infrastructure Law (BIL) Airport Improvement Grant (AIG) funds for this project. Associated costs with this project are as follows:

Taxiway A (North) Planning Study (SEH)	\$ 54,900.00
Taxiway A (South) Reconstruction Phase 1 – Design (SEH)	\$ 188,400.00
Independent Fee Estimate (Becher Hoppe)	\$ 3,900.00
City of Grand Rapids – Administrative Costs	\$ 2,000.00
TOTAL PROJECT COSTS:	\$ 249,200.00

The City of Grand Rapids is requesting federal FAA entitlement participation for this project at 90 percent (\$224,280), a state fund request of 5% (\$12,460) and a local share of 5% (\$12,460) for a total grant request of \$245,300.

Please contact me if you have any questions.

Sincerely,

Matt Wegwerth, PE
Public Works Director, City Engineer
City of Grand Rapids, Minnesota

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CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 05-2-2024

AGENDA ITEM: Consider authorizing the Fire Department to apply for a DNR Grant.

PREPARED BY: Travis Cole-Fire Chief

BACKGROUND:

The Minnesota DNR is offering a 50/50 matching grant in the amount of up to \$5000 for fire departments to use for fire fighting equipment. The Rural Fire Department Volunteer Fire Assistance Matching Grant Project is the same matching grant the Fire Department has been awarded over the past several years. The matching grant dollars are to be used for equipment that will help support the efforts of wildland fire suppression, PPE, and water movement apparatus such as hoses and nozzles.

The Grand Rapids Fire Department has determined this grant would help offset the cost to upgrade hose, PPE, wildland fire suppression gear and equipment with this grant money. If successful, the city's contribution of the \$5,000 towards the matching grant would come from the Fire Department's operating budget.

REQUESTED COUNCIL ACTION:

Make a motion to allow the Grand Rapids Fire Department to apply for a \$5,000 matching grant from the MN DNR for personal protective equipment for both wildland and structural and water movement apparatus.



April 05, 2024

2025 Volunteer Fire Assistance Grants

Enclosed is the 2025 Volunteer Fire Assistance (VFA) grant application project proposal form. The grant application deadline is July 1, 2024. The end of this grant period will be June of 2025.

General Information: The Volunteer Fire Assistance Grant program is a cost-share program. It provides financial and technical assistance to Minnesota fire departments in cities or communities with a population under 10,000. The primary objectives of the program are saving lives and protecting property in rural areas.

Level of Assistance: Approximately 150 to 175 grants up to \$5,000 are awarded in Minnesota annually. The grants are made on a 50:50 match basis. As an example, if your application is for \$2,000.00, a \$1,000.00 reimbursement would be the maximum match awarded. Rural fire departments must use the grant money for fire protection and comply with existing State and County rural fire protection plans.

Priorities: Priority is given to fire departments that have the greatest need. Additional considerations include the type of project, fire runs, and number of previous years funded. Fire departments will not receive funding if MFIRS (MN Fire Incident Reporting System) reports are not filed with the State Fire Marshal's office each year.

EXAMPLES of acceptable projects:

- Establishing a new fire department or re-organizing a non-active fire department.
- Converting Federal Property vehicles to fire control rigs.
- Communications equipment – pagers or radios must be compatible with the counties' 911 system.
- Rural water cistern system.
- Personal Protective Equipment (PPE), both wildland and structural.
- Water movement apparatus (hose, nozzles, pumps, slip in units, foam units, etc.)

Grants are NOT allowed for:

- Repair or construction of buildings.
- Urban water systems including wells.
- Land acquisition.
- Routine maintenance, such as tires, batteries, radios batteries, tune-ups.
- Emergency medical supplies, ambulance equipment, water rescue items, etc.
- Purchase of vehicles, UTV's or ATV's or trailers.
- Thermal imaging cameras
- Sirens
- Used equipment.

Notification of grant awards should be made in late July or early August of 2020; however, the amounts of grants awarded will depend on the availability of state and federal funds. If awarded a grant, fire departments will be sent a grant agreement contract indicating the amount of matching funds they will receive. Any purchases made before the begin date indicated on the Grant Contract, will not be accepted. Fire departments not awarded a grant will be emailed a notification.

Please visit our website for more details on the different programs that the Department of Natural Resources offers.

[Rural fire department assistance - Grants - Assistance: Minnesota DNR](#)

Sincerely,

Tim Oland
Rural Fire Department Coordinator
218-322-2688
Tim.Oland@State.MN.US

Shelly Greniger
Fire Programs Specialist
218-322-2692
Shelly.Greniger@State.MN.US

Attachments: Application Form

Complete application and email to: VFAGrants.dnr@state.mn.us July 1 Deadline

Governing representative	Fire Chief
Name:	Name:
Email:	Email:
Phone:	Phone:
Governing representative official address:	Fire Department:
	FD Address:
	FD Phone:
	FD Email:

Federal Unique Entity Identification number (UEI)
Application will not be processed without UEI

1. Population directly benefiting from the project: _____
2. Fire Department's protection area (square miles): _____
3. Number of fire incidents for the previous year: wildland _____ structural _____ other _____
4. Fill in the estimated total cost of the project(s) and the Grand total the dollar amount requested.

\$	Wildland Personal Protective Equipment	\$	Structural Turnout Gear
\$	Excess Property Equipment Conversion	\$	Radios/Pagers
\$	Wildland Equipment	\$	Breathing Apparatus
\$	Water Movement Items	\$	Safety Equipment
\$	Other Miscellaneous Projects (Describe)	\$	Water Storage System

Grand Total Dollars Requested \$

Fire Department Chief's Signature: _____ Date: _____

Office use only:

Grant approved up to \$	Priority is for
Approval/Date	Contract Number
Modified project	Approval date



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider accepting the resignation of Peggy Clayton from the Human Rights Commission

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Peggy Clayton has submitted her resignation from the Grand Rapids Human Rights Commission, leaving a vacancy with a term to expire March 1, 2027.

Upon acceptance of the resignation, staff will begin the process of filling the vacancy.

REQUESTED COUNCIL ACTION:

Make a motion to accept the resignation of Peggy Clayton from the Human Rights Commission and authorize filling the vacancy.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider approving temporary liquor license for Thunderhawk Lighting Blueline Club

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Thunderhawk Lighting Blueline Club has submitted an application for temporary liquor license to provide alcohol service at the annual Walleye Shootout event June 28-29, 2024.

Staff recommends approval contingent upon receipt of liability insurance showing the City of Grand Rapids as additionally insured.

REQUESTED COUNCIL ACTION:

Make a motion to approve temporary liquor license for Thunderhawk Lighting Blueline Club with contingency.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check

PREPARED BY: Laura Pfeifer

BACKGROUND:

Accounts payable check #143965 issued to Enbridge Energy on September 8, 2020 for \$1750.00 is lost. An authorized representative of Enbridge Energy has completed the required Affidavit of Lost Check.

REQUESTED COUNCIL ACTION:

Make a motion to void lost accounts payable check #143965, issue a new check and waive bond requirements for the check issued to Enbridge Energy in the amount of \$175.00.

AFFIDAVIT

STATE OF) Minnesota

) SS

COUNTY OF) Itasca

Enbridge Energy, being first duly sworn on oath, states that he/she resides at **1409 Hammond Ave, Superior, WI, 54880-1674** and that he/she is the payee named in a check number **143965**, issued to **Enbridge Energy**, drawn by **City of Grand Rapids** dated **September 8, 2020**, for the sum of **\$175.00**; that to my knowledge this check was never endorsed by me, that I did not authorize anyone to endorse it for me, and that the circumstances of the loss or destruction of the check are as follows:

Accounts Payable lost check

I am making this Affidavit in conjunction with my request that the **City of Grand Rapids** issue a duplicate check. I understand that I make this Affidavit under oath and that I may be subject to criminal penalty if my statements in this Affidavit are false.

SIGNED _____



Subscribed and sworn to before me

This 23rd day of May, 2024

Chad Stariha

Notary Public

CHAD STARIHA
Notary Public
State of Wisconsin



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 5-28-24

AGENDA ITEM: Consider agreements with KAXE and Blandin Foundation related to Grand Rapids Riverfest

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

The City partners with KAXE to present Grand Rapids Riverfest, a music festival featuring five bands/performers on September 7, 2024. This event brings people from outside the area creating an economic impact of over \$1.2 million over two days.

The KAXE agreement no longer includes a \$35k contribution from the city. The festival has grown and no longer needs this subsidy. The City no longer holds the contract for the main act.

The Blandin Foundation agreement allows the City to utilize their parking lot for the event.

REQUESTED COUNCIL ACTION:

Make a motion to approve attached agreements with KAXE and the Blandin Foundation.

AGREEMENT

This Agreement is between the City of Grand Rapids (“City”) and Northern Community Radio (“KAXE”), to create and manage a music festival (“Event”) on Block 19 in Grand Rapids, Minnesota.

WHEREAS, COVID-19 has negatively impacted the community’s tourism, non-profit, and entertainment industries like hotels, restaurants, small businesses; and

WHEREAS, The City and KAXE, desire to create and manage a music festival on the second weekend of September that will positively impact the community’s tourism, non-profit, and entertainment industries;

NOW, THEREFORE, in exchange for the promises and other consideration set forth below, the parties agree as follows:

1. Scope of Work.
 - a. The name of the Event is “Grand Rapids Riverfest”.
 - b. The Event shall occur September 7, 2024.
 - c. The Event shall be held at the Grand Rapids Area Library.

2. Responsibilities
 - a. The City shall provide the following items at no-cost to KAXE:
 - i. Provide the venue.
 - ii. Provide security.
 - iii. Provide temporary traffic control.
 - iv. Create temporary fencing around the venue.
 - v. Provide tables and chairs.
 - vi. Provide portable toilets to accommodate up to 5,000 people.
 - vii. Provide garbage/refuse.
 - viii. Provide the necessary tents.
 - ix. Assist KAXE by sharing promotional information on the City social media platform.
 - x. Shall provide insurance for the Event.
 - xi. The City shall allow for an Event variance of City Ordinance 42-81, specifically allowing the consumption of edible cannabis products, and lower-potency hemp edibles and hemp-derived consumer products, as defined by Minn. Stat. Section 342.01. This City does not authorize the smoking or vaping of said products.
 - xii. The City allows music to be performed until 11:00 pm.
 - b. KAXE shall provide the following items at no-cost to City:
 - i. Act as the fiscal agent and manage tickets sales for the Event.
 - ii. Secure all required music equipment, including the stage.
 - iii. Provide staffing and volunteers to operate the Event.
 - iv. Utilize the promotional platforms available to promote the Event.
 - v. Seek grants that will assist in funding the Event.
 - vi. Secure/negotiate contracts for the headliner and a minimum of three opening acts for the Event.
 - vii. Compensate the Library up to \$4,000 for cleaning carpets.

- 3. Financials
 - a. The City shall:
 - i. Not receive any proceeds for the Event.
 - b. KAXE shall:
 - i. Receive 95% of proceeds greater than expenses for the Event.
 - ii. Shall contribute 5% of proceeds greater than expenses for the Event to the Grand Rapids Area Library Foundation.
- 4. Hold harmless
 - a. The City and KAXE, agree to hold the City of Grand Rapids, its officers, agents, employees, successors and assigns, harmless and to indemnify them against any and all claims or liability for any claims, actions, causes of action, suits, or demands of any sort for damages on account of personal injuries related to or arising out of the use of the premises by the above-named parties or any of its agents, employees, officers, or independent contractors.
 - b. The City and KAXE, must maintain Worker Compensation Policies covering all of their employees, and will ensure that subcontractors, and all other personnel who are involved in the installation, operation and or maintenance of the equipment provided by the Producer do as well. Volunteers are exempt from this agreement.

IN WITNESS WHEREOF the parties have signed this Agreement as of the date set forth below.

City of Grand Rapids:

By: _____

Name: Tasha Connelly, Mayor

By: _____

Name: Kim Gibeau, City Clerk

Northern Community Radio:

By: _____

Name: Sarah Bignall, GM

PARKING LOT LEASE AGREEMENT

This Parking Lot Lease Agreement (this "Lease") is entered into this ____ day of _____, 2024, by and between Charles K. Blandin Foundation, a Minnesota nonprofit corporation ("Lessor") and the City of Grand Rapids ("Lessee") as follows:

- 1. Lessee is hosting Grand Rapids Riverfest (the "Event") on property located north of the Grand Rapids Area Library on September 7, 2024. Lessee has a need for additional venue (the "Space") on real property owned by Lessor. The location of the Space is identified, in blue outline, in Appendix A.
- 2. Lessor shall lease said Space to Lessee for use by the public Noon on Friday, September 6, 2024 through Noon on Sunday, September 8, 2024.
- 3. In exchange for use of the Space, Lessee shall:
 - a. Sweep the parking lot on the Space and remove all trash and debris from the Space on Sunday, September 8, 2024, after the Event has been completed.
 - b. There will be no monetary exchange for use of the Space by Lessee.
- 4. Lessor shall in no way be liable or responsible for any accident or damage that may occur during the term of this Lease. Lessee shall indemnify Lessor, defend and hold it harmless against any and all liabilities, loss, cost, damage or expense which may accrue to Lessor or be claimed against Lessor by reason of any act or omission of the Lessee in hosting the Event.
- 5. Lessee shall name Lessor as an additional insured by endorsement to its general liability insurance through the League of Minnesota Cities for all liability arising from this Lease.
- 6. This Lease shall expire at Noon, September 8, 2024, upon termination of the event for which it was created.

IN WITNESS WHEREOF the parties have executed this Lease effective as of the date written above.

BLANDIN FOUNDATION, LESSOR

CITY OF GRAND RAPIDS, LESSEE

By: _____

By: _____

Its: _____

Its: _____

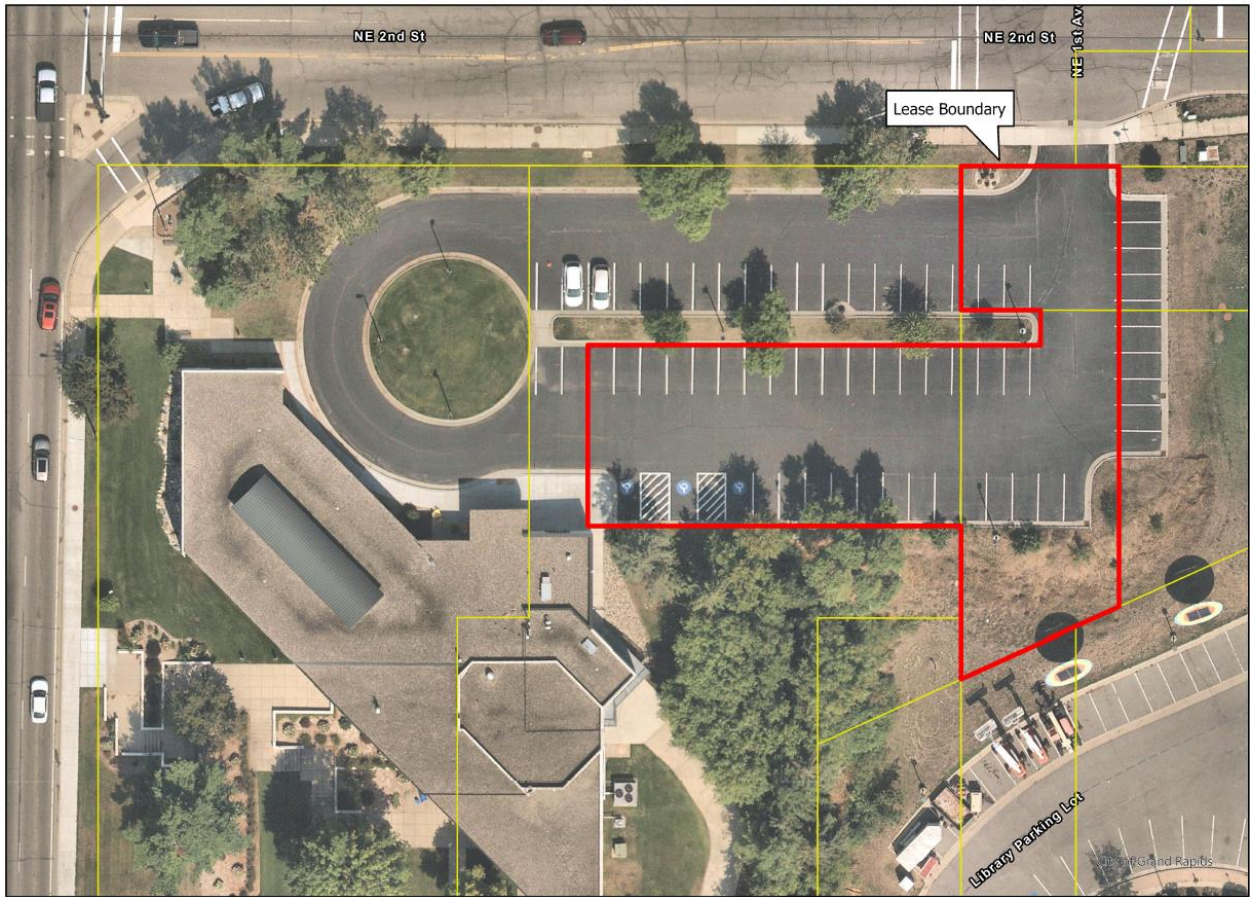
By: _____

By: _____

Its: _____

Its: _____

Appendix A





CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider accepting high bid(s) for patio furniture for sale by Pokegama Golf Course.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

The golf course accepted sealed bids through Friday, May 24, 2024 at 4:30 PM for the sale of patio furniture consisting of 4 tables and 20 chairs. The following bids were received:

Betsy Brown	\$50 for 1 table and 5 chairs
Beau Anderson	\$20 for 1 table and 5 chairs
Gloria Christy	\$60 for 4 tables and 20 chairs

Staff made contact with bidder Christy who indicated that they would accept 2 tables and 10 chairs for the \$60 bid if allowable.

After confirming with legal counsel, staff recommends accepting the following bids:

Betsy Brown	\$50 for 1 table and 5 chairs
Beau Anderson	\$20 for 1 table and 5 chairs
Gloria Christy	\$60 for 2 tables and 10 chairs

REQUESTED COUNCIL ACTION:

Make a motion to accept bids and authorize the sale of golf course patio furniture to Betsy Brown for \$50 for 1 table and 5 chairs, Beau Anderson for \$20 for 1 table and 5 chairs, Gloria Christy for \$60 for 2 tables and 10 chairs for a total of \$130.00



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider the appointment of Sarah Phillips to the position of Police Department Summer Intern with the Grand Rapids Police Department

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

At the last City Council Meeting, the City Council authorized Human Resources to interview and hire a paid summer intern for the Grand Rapids Police Department.

The interview committee is recommending Sarah Phillips for this position.

Sarah is currently enrolled in the law enforcement program at Minnesota North College, where she has successfully completed the first year of the two-year program. She has a background working as a respite care provider in the State of Rhode Island. Sarah recently went on a ride-along with Officer Smallen and was impressed with the engagement our community had with Officer Smallen.

The interview committee wishes the City Council to consider the appointment of Sarah Phillips to the position of Police Department Summer Intern with the Grand Rapids Police Department, beginning approximately June 3, 2024, and ending mid-September, 2024, for up to 40 hours per week, with a rate of pay of \$18.00 per hour, subject to the successful completion of a background check and drug testing.

The Police Department 2024 budget does support this position.

REQUESTED COUNCIL ACTION:

Make a motion to appoint Sarah Phillips to the position of Police Department Summer Intern with the Grand Rapids Police Department, beginning approximately June 3, 2024, and ending mid-September, 2024, for up to 40 hours per week, with a rate of pay of \$18.00 per hour, subject to the successful completion of a background check and drug testing.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 5-28-24

AGENDA ITEM: Consider a request to become a member of the TH 169 Range Gateway Coalition

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

As a child in the early to mid 1970's I remember riding with my mom on the newly completed double lane highway between Hibbing and Pengilly. I could have never imagined almost 50 years later it would still not be complete to Grand Rapids.

There is movement with funding being approved for plan development. However, there still needs to be advocacy to secure construction funding. Attached is a letter from Loren Solberg who has been instrumental in creating the TH 169 Range Gateway Coalition. Their current primary focus is to get the double lane highway between Grand Rapids and Hibbing completed. His letter describes the role of the coalition and requests the participation of the City at the \$5,000 level.

REQUESTED COUNCIL ACTION:

Make a motion to approve a resolution becoming a member of the TH 169 Range Gateway Coalition at the \$5,000 level.

May 22, 2024

City of Grand Rapids
420 N. Pokegama Avenue
Grand Rapids, MN 55744

Dear Mayor Connelly & Council,

Thank you for your interest in becoming a member of the newly-formed Highway 169 Range Gateway Coalition. For decades, the City of Grand Rapids and its residents have been among the leading voices advocating for safety and efficient freight movement along the Highway 169 corridor in Northern Minnesota.

Our aim is to organize a collective voice to speak at the Capitol and mirror the success of other corridor coalitions in the state – many of which have worked with several generations of policymakers to ultimately see the long-awaited completion of their projects.

We have formed the Highway 169 Range Gateway Coalition to advance two primary outcomes. First, to advocate for the completion of the Cross Range Expressway project as a safe, reliable, four-lane highway connecting the entire Iron Range. Second, to advocate for safety improvements along the 169 corridor south of Grand Rapids that enhance the safe, efficient movement of goods and visitors to and from our region.

As an incorporator of the organization, I am pleased to invite you to join as a local government member. The organization has adopted an initial dues schedule under which cities with populations greater than 10,000 are asked to contribute \$5,000 as their annual dues to support our advocacy work. Per the Coalition bylaws, local governments will be granted membership upon passage of a resolution by their council, commission, or board stating their intent to join and payment of their membership dues. Included with this letter is a sample resolution the city may use to affirm their decision to join. Please send a copy of the passed resolution to Emma Nelson at ennelson@flaherty-hood.com or via fax to (651) 225-9088, after which you will be invoiced for membership dues.

In the coming months, we will continue to take the steps necessary to complete the organization's structure, including determining the makeup of the organization's Board of Directors. We would love to include the City of Grand Rapids in those discussions.

If you have any questions about the Highway 169 Range Gateway Coalition, please reach out to Emma Nelson at ennelson@flaherty-hood.com or (651) 259-1936. We look forward to welcoming the City of Grand Rapids as a member of our organization.

Sincerely,



Loren Solberg
Incorporator, Highway 169 Range Gateway Coalition

SAMPLE [CITY/COUNTY] RESOLUTION TO JOIN THE
HIGHWAY 169 RANGE GATEWAY COALITION

WHEREAS, safety and freight movement along the U.S. Highway 169 Corridor in Northern Minnesota are vital to the health, well-being, and economic vitality of the region; and

WHEREAS, residents of Northern Minnesota have advocated for completion of the Cross Range Expressway, a four-lane highway to connect communities along Highway 169 between Grand Rapids and Virginia; and

WHEREAS, significant safety and freight movement challenges persist on Highway 169, including the area identified as the Cross Range Expressway and extending south into Aitkin County; and

WHEREAS, Highway 169 investments will be best achieved through collaboration and coordination among multiple stakeholders, including local governments, businesses, and nonprofits who advocate together for the same goal; and

WHEREAS, the Highway 169 Range Gateway Coalition is a nonprofit advocacy organization whose mission is to promote safety along the U.S. Highway 169 Corridor throughout Northern Minnesota through legislative advocacy and public awareness; and

WHEREAS, [CITY/COUNTY] supports the mission of the Highway 169 Range Gateway Coalition to advocate for funding of projects to improve the Highway 169 corridor.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE [CITY/COUNTY] OF _____:

1. That the City of CITY hereby agrees to join the Highway 169 Range Gateway Coalition

Adopted this the ___ day of _____, 2024



CITY OF
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider approval of a resolution awarding the sale of, and providing the form, terms, covenants and directions for the issuance of a tax increment financing revenue note and approving the Contract for Private Development with HWY 35, LLC and a Business Subsidy Agreement

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

On April 22nd of this year, the City Council held a duly noticed public hearing regarding the granting of a business subsidy, through the establishment of a TIF Redevelopment District, for the redevelopment of the former Ainsworth manufacturing site proposed by HWY 35, LLC.

Following that public hearing, the City Council acted to approve the TIF Plan for TIF District 1-15: HWY 35 Project.

This final step in the process considers the approval of a Contract for Private Development that also serves as a Business Subsidy Agreement. In addition, the proposed resolution approves the sale of, and providing the form, terms, covenants, and directions for the issuance of a tax increment financing revenue note.

REQUESTED COUNCIL ACTION:

Make a motion to approve a resolution awarding the sale of, and providing the form, terms, covenants and directions for the issuance of a tax increment financing revenue note and approving the Contract for Private Development with HWY 35, LLC and a Business Subsidy Agreement.

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

RESOLUTION AWARDED THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF A TAX INCREMENT REVENUE NOTE AND APPROVING A CONTRACT FOR PRIVATE DEVELOPMENT WITH HWY35, LLC AND A BUSINESS SUBSIDY AGREEMENT

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

Section 1. Recitals.

1.01. Authorization. On November 28, 2022, the Council of the City of Grand Rapids, Minnesota (the “City”) approved the establishment of its Tax Increment Financing Development District No. 1-14: Arbor Wood (“TIF District”) and adopted a tax increment financing plan therefore within its Development District No. 1 (the “Development District”) for the purpose of financing certain public improvements within the Development District. On the date hereof, the Council adopted a modification to the TIF District updating the budget and certain other provisions therein and renamed the TIF District “Tax Increment Financing District No. 1-15: Hwy 35 LLC all in accordance pursuant to Minnesota Statutes, Sections 469.124 to 469.134, as amended, and 469.174 through 469.1794, as amended.

1.02. To facilitate development of certain property in the Development District, the City proposes to enter into a Tax Increment Development Assistance Agreement (the “Agreement”) with HWY35 Properties LLC, a Minnesota limited liability company, or an affiliate thereof or entity related thereto (the “Developer”), under which among other things the Developer agrees to develop approximately 430,000 square feet of industrial buildings on a 138 acre campus for the licensing, production, and extraction of cannabis (the “Project”). The Project will be leased to HWY35, LLC, a Minnesota limited liability company (the “Tenant”), who will operate the Project.

1.03. The City proposes to reimburse the Developer for certain qualified costs for the Project in the amount not to exceed \$2,000,000 through the issuance of a pay as you go tax increment financing note (the “TIF Note”) subject to the terms and conditions set forth in the Agreement. The TIF Note constitutes a business subsidy within the meaning of Minnesota Statutes, Section 116J.993 to 116J.995, as amended (the “Business Subsidy Act”), and the Agreement includes a “business subsidy agreement” as required under the Business Subsidy Act.

1.04. The City held a duly noticed public hearing on April 22, 2024 regarding the granting of a business subsidy being provided to the Developer in accordance with the Business

Subsidy Act, at which all interested persons were given an opportunity to be heard.

Section 2. Agreement and Business Subsidy Approved.

2.01 The Council approves the Agreement in substantially the form presented, including the provisions granting a business subsidy to the Developer, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications, or consents referenced in or attached to the Agreement (the “Development Documents”).

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

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

Section 3. TIF Note Authorized. The Council hereby approves issuance of the TIF Note pursuant to the Agreement. The TIF Note shall be issued in the maximum aggregate principal amount of \$2,000,000 to the Developer, subject to Section 3.2 of the Agreement, in consideration of certain eligible costs incurred by the Developer under the Agreement, shall be dated the date of delivery thereof, and shall bear interest at a rate of 6.00% per annum. The TIF Note is secured by Available Tax Increment, as further described in the form of the TIF Note attached hereto as Exhibit A. The City hereby delegates to the City Administrator the determination of the date on which the TIF Note is to be delivered and the final terms of the TIF Note, in accordance with the Agreement.

Section 4. Form of TIF Note; Terms and Delivery of Note.

4.01 Form. The TIF Note shall be in substantially the form attached hereto as Exhibit A, with the blanks to be properly filled in and the principal and interest rate amounts and payment dates adjusted as of the date of issue.

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

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

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

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

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

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

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

(e) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the TIF Note is at any time registered in the bond register as the absolute owner of the TIF Note, whether the TIF Note shall be overdue or not, for the purpose of receiving payment of, or

on account of, the principal of and interest on such TIF Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such TIF Note to the extent of the sum or sums so paid.

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

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

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

Section 5. Security Provisions.

5.01. Pledge. The City hereby pledges to the payment of the principal of and interest on the TIF Note all Available Tax Increment as defined in the TIF Note. Available Tax Increment shall be applied to payment of the principal of and interest on the TIF Note in accordance with the terms of the form of TIF Note set forth in Section 2 of this resolution.

Section 6. Certification of Proceedings.

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

Section 7. Effective Date. This resolution shall be effective upon approval.

Approved by the City Council of the City of Grand Rapids, Minnesota on April 22, 2024.

Mayor

ATTEST:

City Administrator

EXHIBIT A

Form of TIF Note

No. R-1

[\$2,000,000]

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

TAXABLE TAX INCREMENT REVENUE NOTE
(HWY35 Properties LLC Project)

<u>Rate</u>	<u>Date of Issuance</u>	<u>Principal Amount</u>
6.00%	_____, 20__	[\$2,000,000]

The City of Grand Rapids, Minnesota (the “City”), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the “Payment Amounts”) to HWY35 Properties LLC, a Minnesota limited liability company (the “Developer”), or its registered assigns (the “Registered Owner”), the principal amount of [Two Million and 00/100 Dollars (\$2,000,000)],but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

This Note is issued pursuant to that certain Tax Increment Development Assistance Agreement, dated as of _____, 2024, as the same may be amended from time to time (the “Agreement”), by and between the City, and the Developer. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

Simple, non-compounding interest shall accrue on the outstanding principal amount of the Note at a rate equal to 6.00% per annum; provided that no interest shall accrue on this Note during any period that an Event of Default has occurred, and such Event of Default is continuing, under the Agreement and City has exercised its remedy under the Agreement to suspend payment on the Note. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The amounts due under this Note shall be payable on August 1, 2027 and on each February 1 and August 1 thereafter to and including the earliest of (i) the date on which the entire principal and accrued interest on the TIF Note has been paid in full; or (ii) February 1, 2037; or (iii) any earlier date the Agreement or this Note is cancelled in accordance with the terms of the Agreement or deemed paid in full; or (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act (collectively, the “TIF Payment Dates”) or, if the first should not be a Business Day (as defined in the Agreement) the next succeeding Business Day. On each TIF Payment Date, the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last Business Day preceding such TIF Payment Date an amount equal to 75% of the Tax Increments as defined in the Agreement received by the City

during the 6-month period preceding such TIF Payment Date (the “Pledged Tax Increments”).

Payments on this Note shall be payable solely from the Pledged Tax Increments. All payments made by the City under this Note shall first be applied to accrued interest and then to principal. If Pledged Tax Increments are insufficient to pay any accrued interest due, such unpaid interest shall be carried forward without interest.

This Note shall terminate and be of no further force and effect following the Final TIF Payment Date defined above, or any date upon which the City shall have terminated the Agreement under Section 5.2 thereof or on the date that all principal and interest payable hereunder shall have been or deemed paid in full, whichever occurs earliest. This Note may be prepaid in whole or in part at any time without penalty.

The City makes no representation or covenant, express or implied, that the Pledged Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. There are risk factors in the amount of Tax Increments that may actually be received by the City and some of those factors are listed on the attached Exhibit 1. The Registered Owner acknowledges these risk factors and understands and agrees that payments by the City under this Note are subject to these and other factors.

The City’s payment obligations hereunder subject to Section 3.2(9) of the Agreement and the conditions that (i) no Event of Default under Section 5.1 of the Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, and (ii) the Agreement shall not have been terminated pursuant to Section 5.2 thereof, and (iii) all conditions set forth in Section 3.2(2) of the Agreement have been satisfied as of such date. Any such suspended and unpaid amounts shall become payable, without interest accruing thereon in the meantime, if this Note has not been terminated in accordance with Section 5.2 of the Agreement and said Event of Default shall thereafter have been cured in accordance with Section 5.2 of the Agreement. If pursuant to the occurrence of an Event of Default under the Agreement the City elects, in accordance with the Agreement to cancel and rescind the Agreement and/or this Note, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Agreement, for a fuller statement of the rights and obligations of the City to pay the principal of this Note and the interest thereon, and said provisions are hereby incorporated into this Note as though set out in full herein.

THIS NOTE IS A SPECIAL, LIMITED REVENUE OBLIGATION OF THE CITY AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS NOTE IS NOT A GENERAL OBLIGATION OF THE CITY, AND THE FULL FAITH AND CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE AND NO PROPERTY OR OTHER ASSET OF THE CITY, SAVE AND EXCEPT THE ABOVE-REFERENCED PLEDGED TAX INCREMENTS, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY’S OBLIGATIONS HEREUNDER.

The Registered Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any

person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration thereof or otherwise.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the TIF Act.

This Note may be assigned only as provided in Section 4.8 of the Agreement and subject to the assignee executing and delivering to the City the Acknowledgment Regarding TIF Note in the form set forth in Exhibit 2 attached hereto. Additionally, in order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records maintained by the City for the Note. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Grand Rapids, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be dated as of _____.

By _____
Its Mayor

By _____
Its City Administrator

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was, as of the latest date listed below, registered in the name of the last Registered Owner noted below on the books kept by the undersigned for such purposes and any prior registrations are null and void as of such date.

NAME AND ADDRESS OF
REGISTERED OWNER

DATE OF
REGISTRATION

SIGNATURE OF
FINANCE DIRECTOR

HWY35 Properties LLC
11575 E. Laketowne Drive
Albertville, MN 55301-4348

Exhibit 1
To Taxable TIF Note

RISK FACTORS

Risk factors on the amount of Tax Increments that may actually be received by the City include but are not limited to the following:

Value of Minimum Improvements. If the contemplated Minimum Improvements (as defined in the TIF Agreement) constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, it will generate fewer taxes and fewer tax increments than originally contemplated.

2. Damage or Destruction. If the Minimum Improvements is damaged or destroyed after completion, its value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Minimum Improvements may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Minimum Improvements, all of which would reduce taxes and tax increments.

3. Change in Use to Tax-Exempt. The Minimum Improvements could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.

4. Depreciation. The Minimum Improvements could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.

5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.

6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).

7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to “compress” the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is distributed by Hennepin County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. No Liability of City. The City has made no representation or covenant, express or implied, that the revenues pledged to pay the TIF Note will be sufficient to pay, in whole or in part, the principal and interest due on the TIF Note. Any amounts which have not been paid on the TIF Note on or before the final maturity date of the TIF Note shall no longer be payable, as if the TIF Note had ceased to be an obligation of the City. The TIF Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the TIF Note.

Exhibit 2
To Taxable TIF Note

ACKNOWLEDGMENT REGARDING TIF NOTE

The undersigned, _____ a _____ (“Note Holder”), hereby certifies and acknowledges that:

A. On the date hereof the Note Holder has [acquired from]/[made a loan (the “Loan”) [to/for the benefit] of] HWY35 Properties LLC, a Minnesota limited liability company (the “Developer”), [secured in part by] the Taxable Tax Increment Revenue Note (HWY35 Properties LLC Project), a pay-as-you-go tax increment revenue note in the original principal amount of \$ _____, dated _____, 20__ of the City of Grand Rapids, Minnesota (the “City”), a copy of which is attached hereto (the “Note”).

B. The Note Holder has had the opportunity to ask questions of and receive all information and documents concerning the Note as it requested, and has had access to any additional information the Note Holder thought necessary to verify the accuracy of the information received. In determining to [acquire the Note]/[make the Loan], the Note Holder has made its own determinations and has not relied on the City or information provided by the City.

C. The Note Holder represents and warrants that:

1. The Note Holder is acquiring [the Note]/[an interest in the Note as collateral for the Loan] for its own account, and without any view to resale or other distribution.

2. The Note Holder is (i) the owner of the Development Property or (ii) a financial institution or an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring [and holding the Note] [an interest in the Note as collateral for the Loan].

3. The Note Holder understands that the Note is a security which has not been registered under the Securities Act of 1933, as amended, or any state securities law, and must be held until its sale is registered or an exemption from registration becomes available.

4. The Note Holder is aware of the limited payment source for the Note and interest thereon and risks associated with the sufficiency of that limited payment source.

D. The Note Holder understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the City. The Note Holder acknowledges that the City has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be sufficient to pay, in whole or in part, the principal and interest due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if the Note had ceased to be an obligation of the City. The Note Holder understands that the Note

will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the Note.

E. The Note Holder understands that the Note is payable solely from certain tax increments, which are taxes received on improvements made to certain property (the “Improvements”) in a tax increment financing district from the increased taxable value of the property over its base value at the time that the tax increment financing district was created, which base value is called “original net tax capacity”. There are risk factors in relying on tax increments to be received, which include, but are not limited to, the following:

1. Value of Improvements. If the contemplated Improvements constructed in the tax increment financing district are completed at a lesser level of value than originally contemplated, they will generate fewer taxes and fewer tax increments than originally contemplated.
2. Damage or Destruction. If the Improvements are damaged or destroyed after completion, their value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Improvements may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Improvements, all of which would reduce taxes and tax increments.
3. Change in Use to Tax-Exempt. The Improvements could be acquired by a party that devotes them to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.
4. Depreciation. The Improvements could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.
5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.
6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).
7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax

capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to “compress” the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is distributed by Itasca County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. No Liability of City. The City has made no representation or covenant, express or implied, that the revenues pledged to pay the TIF Note will be sufficient to pay, in whole or in part, the principal and interest due on the TIF Note. Any amounts which have not been paid on the TIF Note on or before the final maturity date of the TIF Note shall no longer be payable, as if the TIF Note had ceased to be an obligation of the City. The TIF Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the TIF Note.

F. The Note Holder acknowledges that the Note was issued pursuant to a Tax Increment Development Assistance Agreement between the City and the Developer, dated _____, 2024 (“Development Agreement”), and that the City has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the Development Agreement.

G. The Note Holder acknowledges that the City makes no representation about the tax treatment of, or tax consequences from, the Note Holder’s acquisition of [the Note]/[an interest in the Note as collateral for the Loan].

WITNESS our hand this ___ day of _____, 20__.

Note Holder:

By _____
Name: _____
Its _____

TAX INCREMENT DEVELOPMENT ASSISTANCE AGREEMENT

BY AND BETWEEN

CITY OF GRAND RAPIDS, MINNESOTA

AND

HWY35 PROPERTIES LLC

This document drafted by:
Kennedy & Graven, Chartered
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Minneapolis, Minnesota 55402-1299
Telephone: 612-337-9300

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TAX INCREMENT DEVELOPMENT ASSISTANCE AGREEMENT

THIS TAX INCREMENT DEVELOPMENT ASSISTANCE AGREEMENT (the “Agreement”), made as of the 13th of May, 2024, by and between the City of Grand Rapids, Minnesota, a municipal corporation organized and existing under the Constitution and laws of the State of Minnesota (the “City”) and HWY35 Properties LLC, a Minnesota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized and redevelopment of land which is underutilized or characterized by blight within the City, and in connection therewith created a development project known as Development District No. 1 (the “Development District”) and developed a Development Program (the “Development Program”) therefor pursuant to Minnesota Statutes, Sections 469.124 to 469.134, as amended; and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), the City has created, within the Development District on property legally described in **Exhibit A** attached hereto, Tax Increment Financing District No. 1-15, qualified as redevelopment tax increment financing district (the “TIF District”), and has adopted a Tax Increment Financing Plan therefor (the “TIF Plan”), approved by the City Council of the City (the “City Council”) on November 28, 2023, as amended on April 22, 2024, which provides for the use of tax increment financing in connection with certain development within the Development District and TIF District; and

WHEREAS, in order to achieve the objectives of the Development Program and the TIF Plan, the Developer has requested tax increment financing assistance from the City to finance certain public redevelopment costs of the Minimum Improvements (as hereinafter defined) to be constructed within the TIF District as more particularly set forth in this Agreement; and

WHEREAS, the requirements of Minnesota Statutes, Section 116J.993 through 116J.995, as amended (the “Business Subsidy Law”), apply to this Agreement; and

WHEREAS, the City has adopted criteria for awarding business subsidies that comply with the Business Subsidy Law, after a public hearing for which notice was published; and

WHEREAS, the City Council has approved this Agreement as a subsidy agreement under the Business Subsidy Law and held a duly noticed public hearing thereon.

WHEREAS, the City believes that the development and construction of the Minimum Improvements, and fulfillment of this Agreement are vital and are in the best interests of the City, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of the applicable state and local laws and requirements under which the Minimum Improvements has been undertaken and is being assisted; and

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

ARTICLE I

DEFINITIONS

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

Administrative Costs has the meaning set forth in Section 3.6;

Agreement means this Tax Increment Development Assistance Agreement, as the same may be from time to time modified, amended or supplemented;

Benefit Date means the date on which a certificate of occupancy is issued by the City for the Minimum Improvements;

Business Day means any day except a Saturday, Sunday or a legal holiday or a day on which banking institutions in the City are authorized by law or executive order to close;

Business Subsidy Law means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended, in effect as of the date hereof;

Certificate of Completion means a Certificate of Completion with respect to the Minimum Improvements executed by the City pursuant to Section 4.4, in substantially the form set forth in **Exhibit E** attached hereto;

City means the City of Grand Rapids, Minnesota;

City Council means the City Council of the City;

Construction Documents means the following documents, all of which shall be in form and substance acceptable to the City: (a) evidence satisfactory to the City showing that the Minimum Improvements conforms to applicable zoning, subdivision and building code laws and ordinances, including a copy of the building permit for the Minimum Improvements; (b) a copy of the executed standard form of agreement between owner and architect for architectural services for the Minimum Improvements, if any; and (c) a copy of the executed General Contractor's contract for the Minimum Improvements, if any;

Construction Plans means the plans, specifications, drawings and related documents of the construction work to be performed by the Developer on the Minimum Improvements and the Development Property and the plans (a) shall be as detailed as the plans, specifications drawings and related documents which are submitted to the building inspector of the City; (b) shall include at least the following: (1) site plan; (2) foundation plan; (3) basement plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) grading and

drainage; and (8) landscape; and (c) shall be approved by the City in connection with the issuance of a building permit for the Minimum Improvements;

County means Itasca County, Minnesota;

Developer means HWY35 Properties LLC, a Minnesota limited liability company, its successors and assigns;

Development District means Development District No. 1, as amended;

Development Program means the Development Program for the Development District, as amended;

Development Property means the real property located in the City and legally described in **Exhibit A** attached to this Agreement;

Event of Default means any of the events described in Section 5.1 hereof;

Final TIF Payment Date means the earliest of (i) the date on which the entire principal on the TIF Note has been paid in full; (ii) February 1, 2037; (iii) any earlier date this Agreement or the TIF Note is terminated or cancelled in accordance with the terms hereof or deemed paid in full; (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act; or (v) the date the City cancels the TIF Note upon a written request for termination from the Developer;

General Contractor means the general contractor to be chosen by the Developer, in its sole discretion;

Lease means the lease agreement between the Developer and the Tenant;

Minimum Improvements means the renovation and conversion of approximately 240,000 square feet of an existing 345,000 square foot blighted building for use as a facility for cannabis cultivation and processing and the manufacturing of cannabis-infused products, to be constructed in two phases;

Pledged Tax Increments means for any six-month period, 75% of the Tax Increments received by the City since the previous TIF Payment Date;

Public Redevelopment Costs means the public redevelopment costs of the Minimum Improvements incurred by the Developer, or its assigns listed in **Exhibit E** attached hereto which the City intends to reimburse partially through the TIF Note

Reimbursement Amount means the lesser of (i) \$2,000,000, (ii) the Public Redevelopment Costs actually incurred and paid by the Developer or (iii) the amount determined pursuant to Section 3.2(9);

State means the State of Minnesota;

Tax Increments means the tax increments derived from the Development Property and the improvements thereon which have been received and are permitted to be retained by the City in accordance with the TIF Act, including without limitation Minnesota Statutes, Section 469.177, as amended;

Tenant means HWY35, LLC, a Minnesota limited liability company, its successors and assigns, and future tenants and the successors and assigns of the same;

Termination Date means the earlier of (i) February 1, 2037, (ii) the date the TIF Note is paid in full, (iii) the date on which the TIF District expires or is otherwise terminated, or (iv) the date this Agreement is terminated or rescinded in accordance with its terms;

TIF Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

TIF District means Tax Increment Financing District No. 1-15 located within the Development District, which was qualified as a redevelopment district under the TIF Act;

TIF Payment Date means each February 1 and August 1, commencing on August 1, 2027 and thereafter to and including the Final TIF Payment Date; provided, that if any such TIF Payment Date should not be a Business Day, the TIF Payment Date shall be the next succeeding Business Day;

TIF Plan means the tax increment financing plan approved for the TIF District by the City Council of the City;

TIF Note means the Taxable Tax Increment Revenue Note (HWY35 Properties LLC Project) to be executed by the City and delivered to the Developer pursuant to Section 3.2 hereof, substantially in the form attached hereto as **Exhibit C**; and

Unavoidable Delays means delays, outside the control of the party claiming their occurrence, which are the direct result of strikes, lockouts or other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays, war, invasion, rebellion, revolution, insurrection, riots or civil war, or unavailability or shortage of supply of construction materials or construction labor, other than by reason of non-payment of costs of the same.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

(1) The City is a municipal corporation organized and existing under the Constitution and laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.

(2) The City has taken the actions necessary to establish the TIF District as a “redevelopment district” within the meaning of Minnesota Statutes, Section 469.174, Subdivision 10.

(3) The Minimum Improvements contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program and the TIF Plan. Land use permits shall be governed by City land use ordinances and specific land use approvals separate from this Agreement.

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

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

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

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

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

(3) If and when constructed, the Developer will cause the Minimum Improvements to be constructed in accordance with this Agreement and all City, County, State and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations including the Americans with Disabilities Act).

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

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

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

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

(8) The Developer is not currently in default under any business subsidy agreement with any grantor, as such terms are defined in the Business Subsidy Act.

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

(10) The total development costs of the Minimum Improvements are estimated to be approximately \$71,148,340 and the sources of revenue to pay such costs are approximately \$69,148,340, excluding the tax increment assistance, and the Developer has been unable to obtain additional private financing for the total development costs.

(11) The proposed development by the Developer hereunder would not occur but for City assistance to be provided herein.

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

(13) The Developer will reasonably cooperate with the City in resolution of any traffic, parking, trash removal or public safety problems on or adjacent to the Development Property which may arise in connection with the construction of the Minimum Improvements.

(14) The financing commitments which the Developer has obtained to finance construction of the Minimum Improvements, together with the equity funds available to the Developer, together with financing to be provided by the City pursuant to this Agreement, will be sufficient to enable the Developer to successfully complete the Minimum Improvements.

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

(16) The Developer is not currently in default under any business subsidy agreement with any grantor, as such terms are defined in the Business Subsidy Act.

(17) The Developer will take all action necessary to obtain necessary licenses from the Minnesota Office of Cannabis Management to operate its business in the State and the Minimum Improvements.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1 Minimum Improvements and Public Redevelopment Costs.

(1) The Developer will cause the Minimum Improvements to be constructed on the Development Property substantially in conformance with the terms of this Agreement and all local, state, and federal laws and regulations including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations.

(2) The Developer shall, in a timely manner, comply or cause the Tenant to comply with all requirements necessary to obtain, or cause to be obtained, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met for the construction and operation of the Minimum Improvements.

(3) The costs of constructing and improving the Minimum Improvements shall be paid by the Developer and the City shall reimburse the Developer for the Public Redevelopment Costs through the issuance of the TIF Note as provided herein.

(4) The parties agree that the Public Redevelopment Costs to be incurred by the Developer are essential to the successful completion of the Minimum Improvements. The Developer anticipates that the Public Redevelopment Costs for the Minimum Improvements will be at least \$2,000,000.

Section 3.2 TIF Note.

(1) The TIF Note will be originally issued to the Developer, as provided in Section 3.2(2), in a principal amount equal to the Reimbursement Amount and shall be dated as of its date of issuance. The principal of the TIF Note and interest thereon shall be payable on a pay-as-you-go basis solely from the Pledged Tax Increments as provided below.

(2) The TIF Note shall be issued, in substantially the form attached hereto as **Exhibit C** and interest will begin to accrue on the TIF Note only when: (A) the Developer shall have submitted paid invoices or other written proof and other documentation as may be reasonably satisfactory to the City of the exact nature and amount of the Public Redevelopment Costs incurred by the Developer, together with such other information or documentation as may be reasonably necessary and satisfactory to the City to enable the City to substantiate the Developer’s tax increment expenditures for Public Redevelopment Costs and/or to comply with its increment reporting obligations to the Commissioner of Revenue, the Office of the State Auditor or other applicable official; (B) the Developer shall have obtained a certificate of occupancy from the City for the Minimum Improvements and a Certificate of Completion as provided in this Agreement; (C) the Developer shall have paid all of the Administrative Costs required to have been paid as of such date in accordance with Section 3.6 hereof; (D) the Developer is in material compliance with each term or provision of this Agreement required to have been satisfied as of such date; (E) the City shall have determined any adjustment to the Reimbursement Amount pursuant to Section 3.2(9). and (F) the Developer has signed an Acknowledgement Regarding TIF Note in

substantially the form attached to the TIF Note. The documentation provided in accordance with Section 3.2(2)(A) shall include specific invoices for the particular work from the contractor or other provider and shall include paid invoices, copies of remittances and/or other suitable documentary proofs of the Developer's payment thereof.

(3) Subject to the provisions thereof, the TIF Note shall bear simple, non-compounding interest at the rate equal to 6% per annum. Interest shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Principal and interest on the TIF Note will be payable on each TIF Payment Date; however, the sole source of funds required to be used for payment of the City's obligations under this Section and correspondingly under the TIF Note shall be the Pledged Tax Increments received in the 6-month period preceding each TIF Payment Date. On each TIF Payment Date the Pledged Tax Increment shall be credited against the accrued interest then due on the TIF Note and then applied to reduce the principal. All Tax Increments in excess of the Pledged Tax Increments necessary to pay the principal and accrued interest on the TIF Note are not subject to this Agreement, and the City retains full discretion as to any authorized application thereof. To the extent that the Pledged Tax Increments are insufficient to pay all amounts otherwise due on the TIF Note on the Final TIF Payment Date, said unpaid amounts shall then cease to be any debt or obligation of the City under the TIF Note. No interest will accrue on the TIF Note during any period in which payments have been suspended pursuant to Section 5.1 hereof.

(4) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Pledged Tax Increments shall be used to pay the principal of and interest on the TIF Note.

(5) The Developer further acknowledges that estimates of Tax Increments and Pledged Tax Increments prepared by the City or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the City, and are not intended as representations on which the Developer may rely. The Developer further acknowledges that if development of the Minimum Improvements is delayed or not completed, the effect of such delay or failure to complete may be to reduce the amount of the Tax Increment available to pay the TIF Note.

(6) The City's obligation to make payments on the TIF Note on any TIF Payment Date or any date thereafter is subject to adjustment as set forth in Section 3.2(9) and shall be conditioned upon the requirement (A) there shall not at that time be an Event of Default that has occurred and is continuing under this Agreement that has not been cured during the applicable cure period, (B) this Agreement shall not have been terminated pursuant to Section 5.2, and (C) all conditions set forth in Section 3.2(2) have been satisfied as of such date.

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as actually executed, in substantially the form set forth in **Exhibit C** attached hereto. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.2, the terms of the TIF Note shall govern. The issuance of the TIF Note is pursuant and subject to the terms of this Agreement.

(8) In accordance with Section 469.1763, Subdivision 3 of the TIF Act, conditions for delivery of the TIF Note must be met within 5 years after the date of certification of the TIF District

by the County. If the conditions are not satisfied by such date, the City has no further obligations under this Section 3.2.

(9) The financial assistance to the Developer under this Agreement is based on certain assumptions regarding the square footage redeveloped, improved, and used in the Tenant's business within the Minimum Improvements by the Developer (the "Developed Square Footage"). The City and Developer agree that the Developed Square Footage will be reviewed by the City at the time the Developer requests a Certificate of Completion. Upon submitting the request for the Certificate of Completion under Section 3.7, the Developer shall allow the City to inspect and determine, in its sole discretion, the Developed Square Footage. If the actual Developed Square Footage at that time is less than 240,000 square feet ("Area Goal"), the Reimbursement Amount will be reduced by the percentage less than the Area Goal the actual Developed Square Footage is and such reduction will be reflected in a reduced principal amount of the TIF Note. For example, if the Developer has completed 210,000 square feet of Developed Square Footage, the Reimbursement Amount will be reduced by 12.5% and the total Reimbursement Amount will be \$1,750,000.

Section 3.3 Effect of Delay. The Developer acknowledges that if construction of the Minimum Improvements is delayed or not completed, the effect of such delay or failure to complete may be to reduce the amount of the Tax Increment available to pay the TIF Note.

Section 3.4 Business Subsidy Act. The provisions of this Section constitute the business subsidy agreement for the purposes of the Business Subsidy Act.

(1) *General Terms*. The parties agree and represent to each other as follows:

(a) The subsidy provided to the Developer consists of the TIF Note from the City.

(b) The public purposes of the subsidy are to facilitate redevelopment in the City and the County, help redevelop a long vacant building in the City, increase jobs in the City, the County and the State (including construction jobs), and increase the tax base of the City, the County and the State.

(c) The goals for the subsidy are to secure development of the Minimum Improvements on the Development Property, to maintain such improvements as a facility for cannabis cultivation and processing and the manufacturing of cannabis-infused products for the time period described in clause (f) below and to create the jobs and wage levels in accordance with Section 3.4(2) hereof.

(d) If the goals described in clause (c) are not met, the Developer must make the payments to the City described in Section 3.4(3).

(e) The subsidy is needed to mitigate the cost of site and building improvements to complete the Minimum Improvements on the Development Property is financially infeasible without public assistance, all as determined upon approvals of the TIF Plan and amendments thereto.

(f) The Developer shall cause the Tenant to operate the Minimum Improvements as a facility for cannabis cultivation and processing and the manufacturing of cannabis-infused products for at least 5 years following the Benefit Date.

(g) The Developer's parent company is HWY35, LLC, a Minnesota limited liability company.

(h) In addition to the TIF Note, the Developer has received a loan from the Iron Range Resources and Rehabilitation Board in the amount of \$10,000,000 in connection with developing the Minimum Improvements on the Development Property.

(2) *Job and Wage Goals.* By the compliance date, which is the date two (2) years after the Benefit Date (the "Compliance Date"), the Developer shall cause the Tenant to (i) create at least 300 new full-time equivalent jobs at the Minimum Improvements, and (ii) cause the average hourly wage of the jobs to be at least \$20.00 per hour, exclusive of benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied as of the date such wage and job goals are met, despite the Developer's continuing obligations under Sections 3.4(1)(f) and 3.4(4). The City may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this section will be construed to limit the City's legislative discretion regarding this matter.

(3) *Remedies.* If the Developer fails to meet the goals described in Section 3.4(2), the Developer shall repay to the City, upon written demand from the City a "pro rata share" of the amounts paid by the City to the Developer under the TIF Note plus interest on said amount at the implicit price deflator as defined in Minnesota Statutes, Section 275.50, subd. 2, accrued from the Benefit Date to the date of payment. The term "pro rata share" means percentages calculated as follows:

(a) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(b) if the failure relates to wages, the number of jobs required less the number of jobs that meet the required wages, divided by the number of jobs required;

(c) if the failure relates to maintenance of the Minimum Improvements as a warehouse and distribution facility in accordance with Section 3.4(1)(f), 60 less the number of months of operation as a warehouse and distribution facility (where any month in which the Minimum Improvements is in operation for at least 15 days constitutes a month of operation), commencing on the Benefit Date and ending with the date the Minimum Improvements ceases operation as determined by the City divided by 60; and

(d) if more than one of clauses (a) through (c) apply, the sum of the applicable percentages, not to exceed 100%.

Nothing in this Section shall be construed to limit the City's remedies under Section 5.2 hereof. In addition to the remedy described in this Section and any other remedy available to the City for the Developer's failure to meet the goals stated in Section 3.4(1)(c), the Developer agrees and understands that it may not receive a business subsidy from the City or any grantor (as defined

in the Business Subsidy Act) for a period of 5 years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(4) *Reports.* The Tenant has agreed, pursuant to the Lease with the Developer, to (i) report its progress on achieving the Goals to the City until the later of the date the Goals are met or two years from the Benefit Date, or, if the Goals are not met, until the date the Business Subsidy is repaid, (ii) include in the report the information required in Section 116J.994, Subdivision 7 of the Business Subsidies Act on forms developed by the Minnesota Department of Employment and Economic Development, and (iii) send completed reports to the City. The Developer agrees to file or cause the Tenant to file these reports no later than March 1 of each year commencing March 1, 2025, and within 30 days after the deadline for meeting the Goals. The City agrees that if it does not receive the reports, it will mail the Developer a warning within one week of the required filing date. If within 14 days of the post-marked date of the warning the reports are not made, the Developer agrees to pay to the City a penalty of \$100 for each subsequent day until the report is filed up to a maximum of \$1,000.

Section 3.5 Real Property Taxes. The Developer shall pay or cause to be paid all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it and any statutory or contractual duty that shall accrue subsequent to the date of its acquisition of title to the Development Property (or part thereof) and until the Developer's obligations have been assumed by any other person pursuant to the provisions of this Agreement or title to the property is vested in another person.

The Developer agrees that prior to the Termination Date, so long as it owns the Development Property:

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

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

(3) The Developer shall notify the City within 10 days of filing any petition to seek a reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a "Tax Appeal"). If as of the TIF Payment Date, any Tax Appeal is pending, the City will continue to make payments on the TIF Note but only to the extent that the Tax Increment is applicable, relates to property taxes paid with respect to the market value of the Development Property not being challenged as part of the Tax Appeal, and the City will withhold the Tax Increments related to property taxes paid with respect to the portion of the market value of the Development Property being challenged as part of the Tax Appeal, all as determined by the City in its sole discretion. After the Tax Appeal is fully resolved and the amount of Tax Increments

attributable to the disputed tax payments is finalized, the City will apply any withheld amount to the payment of the TIF Note, to the extent not reduced as a result of the Tax Appeal promptly.

Section 3.6 Developer to Pay City's Fees and Expenses. The Developer will pay all of the reasonable Administrative Costs (as defined below) of the City and must pay such costs to the City within 30 days after receipt of a written invoice from the City describing the amount and nature of the costs to be reimbursed. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the City with staff and consultant (including reasonable legal, financial advisor, etc.) costs of the City, all attributable to or incurred in connection with the establishment of the TIF District, the drafting and adoption of the TIF Plan, and the review, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) and the review and approvals of other documents and agreements in connection with the Minimum Improvements, or in connection with any amendments to any of the foregoing. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City's planning, zoning, and building fee schedules. The City acknowledges that the Developer has deposited \$5,000 with the City toward payment of the Administrative Costs. If such costs exceed such amount, then at any time, but not more often than monthly, the City, as applicable, will deliver written notice to Developer setting forth any additional fees and expenses and Developer agrees to pay all fees and expenses within 30 days of the City's, as applicable, written request. Any unused amount of such deposit shall be returned to the Developer.

This Section 3.6 shall survive termination of this Agreement and shall be binding on the Developer regardless of the enforceability of any other provision of this Agreement.

ARTICLE IV

ADDITIONAL MINIMUM IMPROVEMENTS COVENANTS

Section 4.1 Construction Plans.

(1) Prior to the commencement of construction of the Minimum Improvements, the Developer will deliver to the City the Construction Plans, Construction Documents and a sworn construction cost statement certified by the Developer and the General Contractor (the “Sworn Construction Cost Statement”) all in form and substance reasonably acceptable to the City. The Construction Plans for the Minimum Improvements shall be consistent with the Development Program, this Agreement, and all applicable State and local laws and regulations and any site plan or design drawings previously submitted to the City. The City’s building official and the City Administrator of the City on behalf of the City shall promptly review any Construction Plans upon submission and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying in reasonable detail the deficiencies in the Construction Plans. Approval of the Construction Plans may be withheld unless: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of the Development Program and the TIF Plan; (iii) the Construction Plans comply with any site plan or design drawings previously submitted to the City; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the City, then the Developer shall make such changes as the City may reasonably require and resubmit revised Construction Plans to the City for approval. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City. The City’s approval shall not be unreasonably withheld or conditioned.

(2) No changes shall be made to the Construction Plans for the Minimum Improvements without the City’s prior written approval, unless the aggregate of such changes does not increase or decrease the total costs of the Minimum Improvements by more than 10%. No changes which materially alter (a) the Minimum Improvements’ site plan, (b) exterior appearance, (c) construction quality, or (d) exterior materials included in the final Design Drawings and Construction Plans shall be made without the City’s prior written consent. The approval of the City will not be unreasonably withheld, conditioned, or delayed.

(3) The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City does not constitute a representation or warranty by the City that the Construction Plans or the Minimum Improvements comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Minimum Improvements will meet the qualifications for issuance of a certificate of occupancy, or that the Minimum Improvements will meet the requirements of the Developer or any other users

of the Minimum Improvements. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City will not constitute a waiver of an Event of Default or of any State or City building or other code requirements that may apply. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City department and does not relieve the Developer of the obligation to comply with applicable federal, State and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith.

Section 4.2 Compliance with Environmental Requirements.

(1) The Developer shall comply with all applicable local, state, and federal environmental laws and regulations, and will obtain, and maintain compliance under, any and all necessary environmental permits, licenses, approvals or reviews.

(2) The City makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Development Property or anywhere within the TIF District of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), 42 U.S.C. §§ 961-9657, as amended) (collectively, the “Hazardous Substances”).

(3) The Developer agrees to take all necessary action to remove or remediate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, state and federal environmental laws and regulations.

(4) The Developer waives any claims against the City and the County, for indemnification, contribution, reimbursement or other payments arising under federal and state law and the common law or relating to the environmental condition of the land comprising the Development Property.

Section 4.3 Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer will commence construction of the Minimum Improvements by September 30, 2024 or and shall substantially complete construction of the Minimum Improvements June 30, 2026. Notwithstanding the foregoing, failure of the Developer to commence construction or substantially complete the Minimum Improvements shall not be an Event of Default hereunder unless the Developer fails to commence construction of the Minimum Improvements by December 31, 2024 or fails to obtain a certificate of occupancy for the Minimum Improvements by December 31, 2026. The Minimum Improvements will be constructed by the Developer on the Development Property in conformity with the Construction Plans approved by the City. Prior to completion, upon the request of the City, and subject to applicable safety rules, the Developer will provide the City reasonable access to the Development Property. “Reasonable access” means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Minimum

Improvements, the Developer will deliver progress reports to the City from time to time as reasonably requested by the City.

Section 4.4 Certificate of Completion. The Developer shall notify the City when construction of the Minimum Improvements has been substantially completed. The City shall, within 30 days after such notification, inspect the Minimum Improvements in order to determine (A) whether the Minimum Improvements has been constructed in substantial conformity with the approved Construction Plans and (B) the Developed Square Footage. If the City determines that the Minimum Improvements has not been constructed in substantial conformity with the approved Construction Plans in ways other than the total square footage, the City shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Minimum Improvements have not been constructed in substantial conformity with the approved Construction Plans and Developer shall have a reasonable period of time to remedy such deficiencies. The City shall re-inspect the Minimum Improvements within a reasonable period of time after receiving notice that such deficiencies have been remedied in order to determine whether the Minimum Improvements has been constructed in substantial conformity with the approved Construction Plans and this Agreement. Within a reasonable period of time after determining that the Minimum Improvements has been constructed in substantial conformity with the approved Construction Plans and determining that the following conditions precedent have been satisfied, the City will furnish to the Developer a Certificate of Completion substantially in the form set forth in **Exhibit D** attached hereto certifying the completion of the Minimum Improvements and the Developed Square Footage:

- (1) There shall exist no uncured Event of Default hereunder;
- (2) The City shall have issued a Certificate of Occupancy for the Minimum Improvements;
- (3) The City Administrator, or designee, on behalf of the City shall have reasonably determined that the Minimum Improvements has been substantially completed and constructed in accordance with all local, state and federal laws and regulations (including without limitation environmental, zoning, building code, housing code, and public health laws and regulations), and any applicable permits and in substantial conformity with this Agreement and the final construction plans approved by the City in connection with issuing construction permits, each as applicable;
- (4) The Developer shall certify to the City that all costs related to the Minimum Improvements and the development of the Development Property, including without limitation, payments to all contractors, subcontractors, and Minimum Improvements laborers, have been paid prior to the date of the request to the City.
- (5) The Certificate of Completion issued for the Minimum Improvements shall conclusively satisfy and terminate the agreements and covenants of the Developer in this Agreement solely with respect to construction of the Minimum Improvements. The issuance of a Certificate of Completion under this Agreement shall not be construed to relieve the Developer of any inspection or approval required by any City department in connection with the construction,

completion or occupancy of the Minimum Improvements nor shall it relieve the Developer of any other obligations under this Agreement.

Section 4.5 Additional Responsibilities of the Developer.

(1) The Developer will provide and maintain or cause to be maintained at all times and, from time to time at the request the City, furnish the City, as applicable, with proof of payment of premiums on insurance of amounts and coverages normally held by owners of property similar to the Minimum Improvements.

(2) The Developer will construct, operate and maintain, or cause to be operated and maintained, the Minimum Improvements substantially in accordance with the terms of this Agreement, the Development Program and all local, state, and federal laws and regulations including, but not limited to zoning, building code, public health laws and regulations, except for approved variances necessary to construct the Minimum Improvements contemplated in the Construction Plans approved by the City.

(3) The Developer will not construct any building or other structures on, over, or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.

(4) The Developer, at its own expense, will replace any public facilities and public utilities damaged during the construction of the Minimum Improvements, in accordance with the technical specifications, standards and practices of the owner thereof.

(5) The Developer at all times prior to the termination of this Agreement will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in commercially reasonable good repair and condition.

(6) In the event of damage or destruction of the Minimum Improvements during the term of this Agreement, the Developer shall repair or rebuild the Minimum Improvements or cause the Minimum Improvements to be repaired or rebuilt.

Section 4.6 Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the Minimum Improvements through reimbursement of the Public Redevelopment Costs with Pledged Tax Increments. The Developer understands that the Pledged Tax Increments are derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns, to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 4.7 Prohibition Against Transfer and Assignment. The Developer represents and agrees that prior to the Termination Date, the Developer shall not transfer this Agreement, the TIF Note, the Development Property or the Minimum Improvements or any part thereof or any interest therein, except to the Tenant or an Affiliate, without written notice to the City and without the prior written approval of the City. The City shall be entitled to require as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

(2) In the absence of a specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(3) There shall be submitted to the City for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Minimum Improvements.

(4) Any proposed transferee of the TIF Note shall execute and deliver to the City an acknowledgment regarding the limitations of the TIF Note in a form satisfactory to the City.

(5) There shall be submitted to the City for review all instruments and other legal documents involved in effecting transfer, and if approved by the City, its approval shall be indicated to the Developer in writing.

(6) The Developer shall have paid all reasonable legal fees and expenses of the City, including fees of the City Attorney's office and outside counsel retained by the City to review the documents submitted to the City in connection with any transfer.

(7) The Developer and its transferees shall comply with such other conditions as are necessary in order to achieve and safeguard the purposes of the Act, the TIF Act and this Agreement.

Section 4.8 Records. The City and the Authority, through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Developer relating to the Minimum Improvements. Such records shall be kept and maintained by Developer through the Termination Date.

Section 4.9 Encumbrance of the Development Property. Until the issuance of a Certificate of Completion, without the prior written consent of the City, which will not be unreasonably withheld or delayed, neither the Developer nor any successor in interest to the Developer will engage in any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition, construction and operation of the Minimum

Improvements (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of constructing the Minimum Improvements, and an allowance for contingencies) including without limitation land use restriction agreements in connection with such financings; provided, however, this provision shall not be considered a waiver of the requirements of Section 4.7 with respect to any Transfer (as hereinafter defined) of the TIF Note in connection with any such financing or refinancing nor shall anything contained in this Section prohibit the Developer from making transfers in accordance with Section 4.7.

Section 4.10. Restrictions on Use. The Developer agrees for itself, its successors and assigns and every successor in interest to the Development Property, or any part thereof, that the Developer and such successors and assigns shall operate, or cause to be operated, the Minimum Improvements as a facility for the cultivation and processing of cannabis and the manufacturing of cannabis-infused products accordance with this Agreement until the Termination Date.

ARTICLE V

EVENTS OF DEFAULT

Section 5.1 Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes, special assessments, utility charges or other governmental impositions with respect to the Minimum Improvements or the Development Property.

(2) Subject to Unavoidable Delays, failure by the Developer to commence construction of the Minimum Improvements by December 31, 2024, and to proceed with due diligence to substantially complete the construction of the Minimum Improvements pursuant to the terms, conditions and limitations of this Agreement and obtain a certificate of occupancy from the City by June 1, 2026.

(3) Failure of the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(4) Sale of the Development Property or the Minimum Improvements, or any portion thereof, by the Developer in violation and without written permission by the City except pursuant to Section 4.7 of this Agreement;

(5) If the Developer shall:

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) make an assignment for the benefit of its creditors; or

(c) admit in writing its inability to pay its debts generally as they become due;
or

(d) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 60 days after the filing thereof; or a receiver, trustee or liquidator of the Developer, or of the Minimum Improvements, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within 60 days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 5.2 Remedies on Default. Whenever any Event of Default referred to in Section 5.1 occurs and is continuing, the City may take any one or more of the following actions after the giving of written notice to the Developer citing with specificity the item or items of default and notifying the Developer that it has 30 days within which to cure said Event of Default. If the Event of Default has not been cured within said 30 days or a reasonable period of time, not exceeding 90 days, then:

(1) The City may suspend its performance under this Agreement until they receive written assurances from the Developer, deemed adequate by the City, that the Developer will cure its default and continue its performance under this Agreement.

(2) The City may suspend its performance under the TIF Note until it receives written assurances from the Developer, deemed adequate by the City, that the Developer will cure its default, and no interest shall accrue on the TIF Note for the benefit of the Developer while performance is suspended in accordance with this Section 5.2.

(3) The City may terminate this Agreement.

(4) The City may terminate the TIF Note.

(5) The City may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 5.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.4 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 5.5 Indemnification of the City

(1) The Developer releases from and covenants and agrees that the City, its governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements or any other loss, cost expense, or penalty.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the Developer's acquisition, construction, installation, ownership and operation of the Minimum Improvements.

(3) All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City, as applicable, and not of any governing body member, officer, agent, servant or employee of the City, as the case may be.

(4) Nothing in this Agreement shall be construed as a limitation of or waiver by the City of any immunities, defenses, or other limitations on liability to which the City is entitled by law, including but not limited to the maximum monetary limits on liability established by Minnesota Statutes, Chapters 466 or 604.

Section 5.6 Reimbursement of Attorneys' Fees. If the Developer shall default under any of the provisions of this Agreement, and the City shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer contained in this Agreement, the Developer will within 30 days reimburse the City, as applicable, for the reasonable fees of such attorneys and such other reasonable expenses so incurred.

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.1 Insurance.

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

(a) Builder's risk insurance, written on the so-called "Builder's Risk Completed Value Basis," in an amount equal to 100% of the insurable value of the Minimum Improvements at the date of substantial completion, and with coverage available in nonreporting form on the so-called "Special Form" form of policy (to accomplish the above-required insurance, a master or portfolio-based property insurance policy may be used);

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

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

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

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

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

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

(d) All insurance required in this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City, policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer, the City at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

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

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

(2) A failure to promptly repair, reconstruct and restore the Minimum Improvements as required by this Section 6.1(e) will be considered an Event of Default under this Agreement and the City may suspend payments on the City TIF Note, as applicable, or exercise any other remedies provided in Section 5.2 hereof.

All of the insurance provisions set forth in this Section shall terminate upon the termination of this Agreement.

Section 6.2 Conflicts of Interest. No member of the governing body or other official of the City shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Minimum Improvements, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City shall be personally liable to the City in the event of any default or breach by the Developer or successor of any obligations under the terms of this Agreement.

Section 6.3 Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

- (a) in the case of the Developer is addressed to or delivered personally to:

HWY35 Properties LLC
6910 N Holmes St., Ste 310
Gladstone, MO 54118
Attn: Jack Mitchell

- (b) in the case of the City is addressed to or delivered personally to the City at:

City of Grand Rapids, Minnesota
420 North Pokegama Avenue
Grand Rapids, MN 55744
Attn: City Administrator

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

Section 6.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 6.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.7 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.8 Term; Termination. Unless this Agreement is terminated earlier in accordance with its terms this Agreement shall terminate on the Termination Date. Early termination upon a written request from the Developer shall be in the City's sole discretion. After the Termination Date, if requested by the Developer, the City will provide a termination certificate as to the Developer's obligations hereunder.

Section 6.9 Provisions Surviving Rescission, Expiration or Termination. Sections 5.5 and 3.6 shall survive any rescission, termination, or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.10 Amendment. This Agreement may be amended only by written agreement approved by the City and the Developer.

Section 6.11 Superseding Effect. This Agreement, together with the Purchase Agreement, reflects the entire agreement of the parties with respect to the development of the Development Property, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the development of the Development Property.

Section 6.12 Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City, as applicable, and not of any governing body member, officer, agent, servant or employee of the City.

Section 6.13 Venue. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by and determined in accordance with the laws of the State of Minnesota, and the Developer agrees that all legal actions initiated by the Developer, or the City with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued exclusively in the State of Minnesota, Itasca County, District Court and shall not be removed therefrom to any other federal or state court.

Section 6.14 Interpretation; Concurrence. The language in this Agreement shall be construed simply according to its generally understood meaning, and not strictly for or against any party and no interpretation shall be affected by which party drafted any part of this Agreement. By executing this Agreement, the parties acknowledge that they (a) enter into and execute this Agreement knowingly, voluntarily and willingly of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had a sufficient amount of time to consider this Agreement's terms and conditions, and to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms, appreciate the significance of those terms and have made the decision to accept them as stated herein; and (d) have not relied upon any representation or statement not set forth herein.

Section 6.15 Recording. The City may record this Agreement and any amendments thereto with the County recorder. The Developer shall pay all costs for recording.

Section 6.16 Government Data. The Developer has been required to provide certain data to the City, or their consultants in connection with applying for financial assistance in constructing the Minimum Improvements. It is also likely that the Developer will be required to provide additional data to the City or consultants in the course of administering the TIF District to ensure compliance with this Agreement and the TIF Act. All data provided to the City or their consultants is government data within the meaning of the Minnesota Statutes, Chapter 13 (the "MGDPA"). The parties recognize that some of the data provided by the Developer to the City or their consultants may be nonpublic data as defined by the MGDPA. The parties acknowledge that the City is subject to the MGDPA and will handle all government data in its possession in accordance with the MGDPA, notwithstanding any other agreement or understanding to the contrary.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf, and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

CITY OF GRAND RAPIDS, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Dale Christy, the Mayor of the City of Grand Rapids, Minnesota (the “City”), a municipal corporation and political subdivision, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by Tom Pagel, the City Administrator of the City of Grand Rapids, Minnesota (the “City”), a municipal corporation and political subdivision, on behalf of the City.

Notary Public

Signature page to Tax Increment Development Assistance Agreement

HWY35 PROPERTIES LLC

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this _____ day of _____, 2024,
by _____, the _____ of HWY35 Properties LLC, a Minnesota limited liability
company, on behalf of the corporation.

Notary Public

Signature page to Tax Increment Development Assistance Agreement

This Tax Increment Development Assistance Agreement has been reviewed and consented to by HWY35, LLC, a Minnesota limited liability company (the "Tenant"). The terms herein, especially as they pertain to job and wage goals to be met by the Tenant in Section 3.4(2) hereof are hereby agreed to by the Tenant.

HWY35, LLC

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2024, by _____, the _____ of HWY35, LLC, a Minnesota limited liability company, on behalf of the corporation.

Notary Public

Signature page to Tax Increment Development Assistance Agreement

EXHIBIT A

Description of TIF District

The area encompassed by the TIF District shall also include all street or utility rights-of-way located upon or adjacent to the property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

LEGAL LAND DESCRIPTION:

EASTERLY TRACT:

That part of Government Lot 3, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota, lying westerly and southerly of the following described line:

COMMENCING at the northwest corner of said Government Lot 3; thence North 86 degrees 48 minutes 06 seconds East, assigned bearing, along the north line of said Government Lot 3, a distance of 190.35 feet to the northeast corner of the West 190.00 feet of said Government Lot 3 and the point of beginning of the line to be herein described; thence South 00 degrees 17 minutes 11 seconds West, along the east line of said West 190.00 feet a distance of 505.94 feet; thence South 44 degrees 19 minutes 07 seconds East 409.82 feet; thence South 85 degrees 17 minutes 34 seconds East 432.64 feet; thence South 75 degrees 32 minutes 33 seconds East 299.16 feet; thence South 53 degrees 17 minutes 09 seconds East 339.36 feet to the east line of said Government Lot 3 and said described line there terminating.

TOGETHER WITH

Government Lot 4, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

TOGETHER WITH

Government Lot 10, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

TOGETHER WITH

The West 660.00 feet of Government Lot 5, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

TOGETHER WITH

The West 660 feet of the Northeast Quarter of the Southwest Quarter, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

EXHIBIT B

Description of Development Property

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

LEGAL LAND DESCRIPTION:

EASTERLY TRACT:

That part of Government Lot 3, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota, lying westerly and southerly of the following described line:

COMMENCING at the northwest corner of said Government Lot 3; thence North 86 degrees 48 minutes 06 seconds East, assigned bearing, along the north line of said Government Lot 3, a distance of 190.35 feet to the northeast corner of the West 190.00 feet of said Government Lot 3 and the point of beginning of the line to be herein described; thence South 00 degrees 17 minutes 11 seconds West, along the east line of said West 190.00 feet a distance of 505.94 feet; thence South 44 degrees 19 minutes 07 seconds East 409.82 feet; thence South 85 degrees 17 minutes 34 seconds East 432.64 feet; thence South 75 degrees 32 minutes 33 seconds East 299.16 feet; thence South 53 degrees 17 minutes 09 seconds East 339.36 feet to the east line of said Government Lot 3 and said described line there terminating.

TOGETHER WITH

Government Lot 4, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

TOGETHER WITH

Government Lot 10, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

TOGETHER WITH

The West 660.00 feet of Government Lot 5, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

TOGETHER WITH

The West 660 feet of the Northeast Quarter of the Southwest Quarter, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota.

EXHIBIT C

Form of TIF Note

No. R-1

[\$2,000,000]

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

TAXABLE TAX INCREMENT REVENUE NOTE
(HWY35 Properties LLC Project)

<u>Rate</u>	<u>Date of Issuance</u>	<u>Principal Amount</u>
_6.00%	_____, 20__	\$[2,000,000]

The City of Grand Rapids, Minnesota (the “City”), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the “Payment Amounts”) to HWY35 Properties LLC, a Minnesota limited liability company (the “Developer”), or its registered assigns (the “Registered Owner”), the principal amount of [Two Million and 00/100 Dollars (\$2,000,000)],but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

This Note is issued pursuant to that certain Tax Increment Development Assistance Agreement, dated as of May 13, 2024, as the same may be amended from time to time (the “Agreement”), by and between the City, and the Developer. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

Simple, non-compounding interest shall accrue on the outstanding principal amount of the Note at a rate equal to 6.00% per annum; provided that no interest shall accrue on this Note during any period that an Event of Default has occurred, and such Event of Default is continuing, under the Agreement and City has exercised its remedy under the Agreement to suspend payment on the Note. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The amounts due under this Note shall be payable on August 1, 2027 and on each February 1 and August 1 thereafter to and including the earliest of (i) the date on which the entire principal and accrued interest on the TIF Note has been paid in full; or (ii) February 1, 2037; or (iii) any earlier date the Agreement or this Note is cancelled in accordance with the terms of the Agreement or deemed paid in full; or (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act (collectively, the “TIF Payment Dates”) or, if the first should not be a Business Day (as defined in the Agreement) the next succeeding Business Day. On each TIF Payment Date, the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last Business Day preceding such TIF Payment Date an amount equal to 75% of the Tax Increments as defined in the Agreement received by the City

during the 6-month period preceding such TIF Payment Date (the “Pledged Tax Increments”).

Payments on this Note shall be payable solely from the Pledged Tax Increments. All payments made by the City under this Note shall first be applied to accrued interest and then to principal. If Pledged Tax Increments are insufficient to pay any accrued interest due, such unpaid interest shall be carried forward without interest.

This Note shall terminate and be of no further force and effect following the Final TIF Payment Date defined above, or any date upon which the City shall have terminated the Agreement under Section 5.2 thereof or on the date that all principal and interest payable hereunder shall have been or deemed paid in full, whichever occurs earliest. This Note may be prepaid in whole or in part at any time without penalty.

The City makes no representation or covenant, express or implied, that the Pledged Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. There are risk factors in the amount of Tax Increments that may actually be received by the City and some of those factors are listed on the attached Exhibit 1. The Registered Owner acknowledges these risk factors and understands and agrees that payments by the City under this Note are subject to these and other factors.

The City’s payment obligations hereunder subject to Section 3.2(9) of the Agreement and the conditions that (i) no Event of Default under Section 5.1 of the Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, and (ii) the Agreement shall not have been terminated pursuant to Section 5.2 thereof, and (iii) all conditions set forth in Section 3.2(2) of the Agreement have been satisfied as of such date. Any such suspended and unpaid amounts shall become payable, without interest accruing thereon in the meantime, if this Note has not been terminated in accordance with Section 5.2 of the Agreement and said Event of Default shall thereafter have been cured in accordance with Section 5.2 of the Agreement. If pursuant to the occurrence of an Event of Default under the Agreement the City elects, in accordance with the Agreement to cancel and rescind the Agreement and/or this Note, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Agreement, for a fuller statement of the rights and obligations of the City to pay the principal of this Note and the interest thereon, and said provisions are hereby incorporated into this Note as though set out in full herein.

THIS NOTE IS A SPECIAL, LIMITED REVENUE OBLIGATION OF THE CITY AND NOT A GENERAL OBLIGATION OF THE CITY AND IS PAYABLE BY THE CITY ONLY FROM THE SOURCES AND SUBJECT TO THE QUALIFICATIONS STATED OR REFERENCED HEREIN. THIS NOTE IS NOT A GENERAL OBLIGATION OF THE CITY, AND THE FULL FAITH AND CREDIT AND TAXING POWERS OF THE CITY ARE NOT PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR INTEREST ON THIS NOTE AND NO PROPERTY OR OTHER ASSET OF THE CITY, SAVE AND EXCEPT THE ABOVE-REFERENCED PLEDGED TAX INCREMENTS, IS OR SHALL BE A SOURCE OF PAYMENT OF THE CITY’S OBLIGATIONS HEREUNDER.

The Registered Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any

person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration thereof or otherwise.

This Note is issued by the City in aid of financing a project pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including the TIF Act.

This Note may be assigned only as provided in Section 4.8 of the Agreement and subject to the assignee executing and delivering to the City the Acknowledgment Regarding TIF Note in the form set forth in Exhibit 2 attached hereto. Additionally, in order to assign the Note, the assignee shall surrender the same to the City either in exchange for a new fully registered note or for transfer of this Note on the registration records maintained by the City for the Note. Each permitted assignee shall take this Note subject to the foregoing conditions and subject to all provisions stated or referenced herein.

IT IS HEREBY CERTIFIED AND RECITED that all acts, conditions, and things required by the Constitution and laws of the State of Minnesota to be done, to have happened, and to be performed precedent to and in the issuance of this Note have been done, have happened, and have been performed in regular and due form, time, and manner as required by law; and that this Note, together with all other indebtedness of the City outstanding on the date hereof and on the date of its actual issuance and delivery, does not cause the indebtedness of the City to exceed any constitutional or statutory limitation thereon.

IN WITNESS WHEREOF, the City of Grand Rapids, Minnesota, by its City Council, has caused this Note to be executed by the manual signatures of its Mayor and City Administrator and has caused this Note to be dated as of _____.

By _____
Its Mayor

By _____
Its City Administrator

CERTIFICATION OF REGISTRATION

It is hereby certified that the foregoing Note was, as of the latest date listed below, registered in the name of the last Registered Owner noted below on the books kept by the undersigned for such purposes and any prior registrations are null and void as of such date.

NAME AND ADDRESS OF
REGISTERED OWNER

DATE OF
REGISTRATION

SIGNATURE OF
FINANCE DIRECTOR

HWY35 Properties LLC
11575 E. Laketowne Drive
Albertville, MN 55301-4348

**Exhibit 1
To Taxable TIF Note**

RISK FACTORS

Risk factors on the amount of Tax Increments that may actually be received by the City include but are not limited to the following:

1. Value of Minimum Improvements. If the contemplated Minimum Improvements (as defined in the TIF Agreement) constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, it will generate fewer taxes and fewer tax increments than originally contemplated.
2. Damage or Destruction. If the Minimum Improvements is damaged or destroyed after completion, its value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Minimum Improvements may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Minimum Improvements, all of which would reduce taxes and tax increments.
3. Change in Use to Tax-Exempt. The Minimum Improvements could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.
4. Depreciation. The Minimum Improvements could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.
5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.
6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).
7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to “compress” the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is distributed by Hennepin County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. No Liability of City. The City has made no representation or covenant, express or implied, that the revenues pledged to pay the TIF Note will be sufficient to pay, in whole or in part, the principal and interest due on the TIF Note. Any amounts which have not been paid on the TIF Note on or before the final maturity date of the TIF Note shall no longer be payable, as if the TIF Note had ceased to be an obligation of the City. The TIF Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the TIF Note.

Exhibit 2
To Taxable TIF Note

ACKNOWLEDGMENT REGARDING TIF NOTE

The undersigned, _____ a _____ (“Note Holder”), hereby certifies and acknowledges that:

A. On the date hereof the Note Holder has [acquired from]/[made a loan (the “Loan”) [to/for the benefit] of] HWY35 Properties LLC, a Minnesota limited liability company (the “Developer”), [secured in part by] the Taxable Tax Increment Revenue Note (HWY35 Properties LLC Project), a pay-as-you-go tax increment revenue note in the original principal amount of \$ _____, dated _____, 20__ of the City of Grand Rapids, Minnesota (the “City”), a copy of which is attached hereto (the “Note”).

B. The Note Holder has had the opportunity to ask questions of and receive all information and documents concerning the Note as it requested, and has had access to any additional information the Note Holder thought necessary to verify the accuracy of the information received. In determining to [acquire the Note]/[make the Loan], the Note Holder has made its own determinations and has not relied on the City or information provided by the City.

C. The Note Holder represents and warrants that:

1. The Note Holder is acquiring [the Note]/[an interest in the Note as collateral for the Loan] for its own account, and without any view to resale or other distribution.

2. The Note Holder is (i) the owner of the Development Property or (ii) a financial institution or an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring [and holding the Note] [an interest in the Note as collateral for the Loan].

3. The Note Holder understands that the Note is a security which has not been registered under the Securities Act of 1933, as amended, or any state securities law, and must be held until its sale is registered or an exemption from registration becomes available.

4. The Note Holder is aware of the limited payment source for the Note and interest thereon and risks associated with the sufficiency of that limited payment source.

D. The Note Holder understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the City. The Note Holder acknowledges that the City has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be sufficient to pay, in whole or in part, the principal and interest due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if the Note had ceased to be an obligation of the City. The Note Holder understands that the Note

will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the Note.

E. The Note Holder understands that the Note is payable solely from certain tax increments, which are taxes received on improvements made to certain property (the “Improvements”) in a tax increment financing district from the increased taxable value of the property over its base value at the time that the tax increment financing district was created, which base value is called “original net tax capacity”. There are risk factors in relying on tax increments to be received, which include, but are not limited to, the following:

1. Value of Improvements. If the contemplated Improvements constructed in the tax increment financing district are completed at a lesser level of value than originally contemplated, they will generate fewer taxes and fewer tax increments than originally contemplated.
2. Damage or Destruction. If the Improvements are damaged or destroyed after completion, their value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Improvements may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Improvements, all of which would reduce taxes and tax increments.
3. Change in Use to Tax-Exempt. The Improvements could be acquired by a party that devotes them to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.
4. Depreciation. The Improvements could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.
5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.
6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).
7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax

capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to “compress” the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is distributed by Itasca County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

9. Legislation. The Minnesota Legislature has frequently modified laws affecting real property taxes, particularly as they relate to tax capacity rates and the overall level of taxes as affected by state aid to municipalities.

10. No Liability of City. The City has made no representation or covenant, express or implied, that the revenues pledged to pay the TIF Note will be sufficient to pay, in whole or in part, the principal and interest due on the TIF Note. Any amounts which have not been paid on the TIF Note on or before the final maturity date of the TIF Note shall no longer be payable, as if the TIF Note had ceased to be an obligation of the City. The TIF Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal and interest on the TIF Note.

F. The Note Holder acknowledges that the Note was issued pursuant to a Tax Increment Development Assistance Agreement between the City and the Developer, dated May 13, 2024 (“Development Agreement”), and that the City has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the Development Agreement.

G. The Note Holder acknowledges that the City makes no representation about the tax treatment of, or tax consequences from, the Note Holder’s acquisition of [the Note]/[an interest in the Note as collateral for the Loan].

WITNESS our hand this ___ day of _____, 20__.

Note Holder:

By _____
Name: _____
Its _____

EXHIBIT D

CERTIFICATE OF COMPLETION

WHEREAS, the City of Grand Rapids, Minnesota (the “City”), and HWY35 Properties LLC, a Minnesota limited liability company (the “Developer”), have executed a Tax Increment Development Assistance Agreement, dated as of May 13, 2024 (the “Development Agreement”), with respect to the completion by the Developer of certain improvements (the “Minimum Improvements”), more specifically described in the Development Agreement; and

WHEREAS, the Developer has performed its obligations under the Development Agreement to substantially complete the Minimum Improvements in a manner deemed sufficient by the City to permit the execution of this certificate pursuant to Section 4.4 of the Development Agreement;

WHEREAS, the City has inspected the Minimum Improvements and concluded that a total of ___ square feet have been developed by the Developer within the Minimum Improvements.

NOW, THEREFORE, this is to certify that the Minimum Improvements has been completed in substantial conformance with the terms of the Development Agreement.

CITY OF GRAND RAPIDS, MINNESOTA

By _____
Its _____

Dated: _____, 20__

EXHIBIT E
PUBLIC REDEVELOPMENT COSTS

Demolition
Correction of blighting conditions of existing substandard building
Environmental Remediation
Underground and above ground utilities
Excavation
Grading
Filling
Curb and gutter
Site Preparation
Parking
Other TIF eligible costs as determined by the City in its sole discretion



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider making an appointment to the Pokegama Golf Board

PREPARED BY: Kimberly Gibeau

BACKGROUND:

The Pokegama Golf Board has a current vacancy with a term expiration of March 1, 2027.

The board consists of five members, four residents and one non-resident. We have two applications; one resident and one non-resident, to fill one resident vacancy.

REQUESTED COUNCIL ACTION:

Make a motion to appoint an individual to the Pokegama Golf Board to fill the unexpired term through March 1, 2027.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Conduct a public hearing to consider changes to City of Grand Rapids Municipal Chapter 62, Article 62-II Lodging Tax

PREPARED BY: Kimberly Gibeau

BACKGROUND:

The City of Grand Rapids is requesting that the Department of Revenue administer the lodging tax imposed by Chapter 62, Article 62-II of the Grand Rapids Municipal Code. Updates to City Ordinances must be posted ten days prior to change and offer a time for public comment.

REQUESTED COUNCIL ACTION:

Conduct a public hearing to receive comment on proposed changes to the Grand Rapids Municipal Code Chapter 62, Article 62-II Lodging Tax and authorization publication in summary form.

CITY OF GRAND RAPIDS MINNESOTA

Ordinance No. _____

AN ORDINANCE AMENDING ARTICLE 62-11 LODGING TAX

The City of [city], Minnesota, ordains:

Section 1. Authority and purpose.

Subd. 1. **Authority.** In accordance with [Special Law(s)] and City of [city] Resolution No. _____ adopted by the City of [city], Minnesota, on [month] [day], [year], the City of [city] is authorized to impose a tax of up to [written amount and (numerical amount)] on gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190.

Subd. 2. **Purpose.** The purpose of this Ordinance is [purpose(s)].

Section 2. Definitions. The following words, terms, and phrases have the meanings given them in this Ordinance unless the language or context clearly indicates a different meaning is intended. Minnesota Statutes, section 270C.171 is incorporated for definitions in this Ordinance. In any potential conflict between the statute and this Ordinance, the statute shall take precedence.

Subd. 1. **Commissioner.** “Commissioner” means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

Subd. 2. **City.** “City” means the City of [city], Minnesota.

Subd. 3. **Lodging and related services.** “Lodging and related services” means lodging and related services by a hotel, rooming house, resort, campground, vacation rental, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice.

Subd. 3a. **Accommodations intermediary.** “Accommodations intermediary” means any person or entity, other than an accommodations provider, that facilitates the sale of lodging as defined in subdivision 3, and that charges a room charge to a customer. The term “facilitates the sale” includes brokering, coordinating, or in any way arranging for the purchase of or the right to use accommodations by a customer.

Subd. 3b. **Accommodations provider.** “Accommodations provider” means any person or entity that furnishes lodging and related services, as defined in subdivision 3, to

the general public for compensation. The term “furnishes” includes the sale of use or possession, or the sale of the right to use or possess.

- Subd. 4. **State sales and use tax laws and rules.** “State sales and use tax laws and rules” means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, chapters 270C, 289A, 297A, 469A, and Minnesota Rules, chapter 8130, as amended from time to time.

Section 3. Local lodging tax imposed; amount of tax; coordination with state sales and use tax laws and rules. A local lodging tax is imposed in the amount of [written amount and (numerical amount)] on the gross receipts from sales of lodging and related services, as defined in section 2, subdivision 3 of this Ordinance, sourced within City limits which are taxable under the state sales and use tax laws and rules. All of the provisions of the state sales and use tax laws and rules apply to the local sales and use tax imposed by this Ordinance. The local lodging tax imposed by this Ordinance shall be collected and remitted to the Commissioner by the accommodations provider on any sale when the state sales tax must be collected and remitted to the Commissioner under the state sales and use tax laws and rules and is in addition to the state sales and use tax.

Section 4. Advertising no tax. It shall be unlawful for any accommodations intermediary or accommodations provider to advertise or hold out or state to the public or any customer, directly or indirectly, that the tax or any part thereof will be assumed or absorbed by the accommodations intermediary or accommodations provider, or that it will not be added to the rent or that, if added, it or any part thereof will be refunded.

Section 5. Use of proceeds.

- Subd. 1. All of the revenues, interest, and penalties derived from the lodging tax imposed by this Ordinance collected by the Commissioner and remitted to the City shall be deposited by the City [title *i.e.* Treasurer] in the City treasury and shall be credited to the fund established to pay the costs of collecting the lodging tax imposed by this Ordinance and to fund [purpose(s) of the Ordinance].

Section 6. Agreement with the Commissioner. The City may enter into an agreement with the Commissioner regarding each party’s respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the lodging tax imposed by this Ordinance. Any such agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this Ordinance, or [Special Law(s)].

Section 7. Effective Date. This Ordinance shall take effect on the first day of publication after adoption and the tax imposed hereunder shall commence on [numerical day] day of [month], [year].

Adopted this _____ day of [month], [year].

President, City Council

Attest: _____
Deputy Administrator

ORDINANCE APPROVED by the Mayor of the City of [city] this _____ day of [month], [year].

Mayor



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider adopting an ordinance amending Chapter 62, Article 62-II, Lodging Tax and authorize publication in summary form.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Following tonight's public hearing, staff is asking the Council to amend Chapter 62, Article 65-II Lodging Tax and authorize submission of amended ordinance and Letter of Intent to have the State of Minnesota Department of Revenue to assume the administration of the lodging tax effective October 1, 2024.

REQUESTED COUNCIL ACTION:

Make a motion to adopt an ordinance amending Chapter 62, Article 62-II, Lodging Tax and authorize publication in summary form.

CITY OF GRAND RAPIDS MINNESOTA

Ordinance No. _____

AN ORDINANCE AMENDING ARTICLE 62-11 LODGING TAX

The City of [city], Minnesota, ordains:

Section 1. Authority and purpose.

Subd. 1. **Authority.** In accordance with [Special Law(s)] and City of [city] Resolution No. _____ adopted by the City of [city], Minnesota, on [month] [day], [year], the City of [city] is authorized to impose a tax of up to [written amount and (numerical amount)] on gross receipts subject to the lodging tax under Minnesota Statutes, section 469.190.

Subd. 2. **Purpose.** The purpose of this Ordinance is [purpose(s)].

Section 2. Definitions. The following words, terms, and phrases have the meanings given them in this Ordinance unless the language or context clearly indicates a different meaning is intended. Minnesota Statutes, section 270C.171 is incorporated for definitions in this Ordinance. In any potential conflict between the statute and this Ordinance, the statute shall take precedence.

Subd. 1. **Commissioner.** “Commissioner” means the commissioner of revenue of the state of Minnesota or a person to whom the commissioner has delegated functions.

Subd. 2. **City.** “City” means the City of [city], Minnesota.

Subd. 3. **Lodging and related services.** “Lodging and related services” means lodging and related services by a hotel, rooming house, resort, campground, vacation rental, motel, or trailer camp, including furnishing the guest of the facility with access to telecommunication services, and the granting of any similar license to use real property in a specific facility, other than the renting or leasing of it for a continuous period of 30 days or more under an enforceable written agreement that may not be terminated without prior notice.

Subd. 3a. **Accommodations intermediary.** “Accommodations intermediary” means any person or entity, other than an accommodations provider, that facilitates the sale of lodging as defined in subdivision 3, and that charges a room charge to a customer. The term “facilitates the sale” includes brokering, coordinating, or in any way arranging for the purchase of or the right to use accommodations by a customer.

Subd. 3b. **Accommodations provider.** “Accommodations provider” means any person or entity that furnishes lodging and related services, as defined in subdivision 3, to

the general public for compensation. The term “furnishes” includes the sale of use or possession, or the sale of the right to use or possess.

- Subd. 4. **State sales and use tax laws and rules.** “State sales and use tax laws and rules” means those provisions of the state revenue laws applicable to state sales and use tax imposition, administration, collection, and enforcement, including Minnesota Statutes, chapters 270C, 289A, 297A, 469A, and Minnesota Rules, chapter 8130, as amended from time to time.

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Section 5. Use of proceeds.

- Subd. 1. All of the revenues, interest, and penalties derived from the lodging tax imposed by this Ordinance collected by the Commissioner and remitted to the City shall be deposited by the City [title *i.e.* Treasurer] in the City treasury and shall be credited to the fund established to pay the costs of collecting the lodging tax imposed by this Ordinance and to fund [purpose(s) of the Ordinance].

Section 6. Agreement with the Commissioner. The City may enter into an agreement with the Commissioner regarding each party’s respective roles and responsibilities related to the imposition, administration, collection, enforcement, and termination of the lodging tax imposed by this Ordinance. Any such agreement shall not abrogate, alter, or otherwise conflict with the state sales and use tax laws and rules, this Ordinance, or [Special Law(s)].

Section 7. Effective Date. This Ordinance shall take effect on the first day of publication after adoption and the tax imposed hereunder shall commence on [numerical day] day of [month], [year].

Adopted this _____ day of [month], [year].

President, City Council

Attest: _____
Deputy Administrator

ORDINANCE APPROVED by the Mayor of the City of [city] this _____ day of [month], [year].

Mayor



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Conduct a public hearing to consider changes to City of Grand Rapids Municipal Chapter 46, Article 3, Alcohol Consumption

PREPARED BY: Kimberly Gibeau

BACKGROUND:

The City of Grand Rapids is requesting an amendment to the Grand Rapids Municipal Code in reference to alcohol service and consumption on public property. Updates to City Ordinances must be posted ten days prior to change and offer a time for public comment.

REQUESTED COUNCIL ACTION:

Conduct a public hearing to receive comment on proposed changes to the Grand Rapids Municipal Code Chapter 46, Article 3, Subd. 3, Alcohol Consumption.

Councilor introduced the following Ordinance and moved for its adoption:

ORDINANCE NO. 24-05-

**AN ORDINANCE AMENDING CHAPTER 46, ARTICLE 3,
ALCOHOL CONSUMPTION**

WHEREAS, the City Council has decided that the City Parks and Recreation Department should update its ordinance relative to authorized alcohol consumption on city owned property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA, that:

That Ordinance Chapter 46, Article 3, shall be amended to include:
“Alcohol service and consumption on City owned property shall be allowed at community events if service is provided by a business that has a license to sell liquor on-sale or a permit from the commissioner of public safety under Minnesota Statutes and has obtained permission from the City.”

This Ordinance shall become effective after its passage and publication.

ADOPTED AND PASSED BY THE City Council of the City of Grand Rapids on the 28th day of May, 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilor seconded the foregoing ordinance and the following voted in favor thereof:
Opposed: None, whereby the ordinance was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

REQUEST FOR COUNCIL ACTION

AGENDA DATE: May 28, 2024

AGENDA ITEM: Consider adopting an ordinance amending Chapter 46, Article 3 Alcohol Consumption of the Grand Rapids City Code and authorize publication in summary form.

PREPARED BY: Kimberly Gibeau

BACKGROUND:

Following the public hearing, staff is requesting that the City Council adopt a resolution amending the city code to specifically identify allowable alcohol service and consumption on city property.

REQUESTED COUNCIL ACTION:

Make a motion to adopt an ordinance amending Chapter 46, Article 3, Alcohol Consumption and authorize publication in summary form.

Councilor introduced the following Ordinance and moved for its adoption:

ORDINANCE NO. 24-05-

**AN ORDINANCE AMENDING CHAPTER 46, ARTICLE 3,
ALCOHOL CONSUMPTION**

WHEREAS, the City Council has decided that the City Parks and Recreation Department should update its ordinance relative to authorized alcohol consumption on city owned property.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA, that:

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“Alcohol service and consumption on City owned property shall be allowed at community events if service is provided by a business that has a license to sell liquor on-sale or a permit from the commissioner of public safety under Minnesota Statutes and has obtained permission from the City.”

This Ordinance shall become effective after its passage and publication.

ADOPTED AND PASSED BY THE City Council of the City of Grand Rapids on the 28th day of May, 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilor seconded the foregoing ordinance and the following voted in favor thereof:
Opposed: None, whereby the ordinance was declared duly passed and adopted.