



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, September 09, 2021  
4:00 PM

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, September 09, 2021 immediately following the closed session.

CALL TO ORDER

CALL OF ROLL

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

APPROVE MINUTES

1. Approve the minutes from the August 12, 2021 regular meeting.

APPROVE CLAIMS

2. Approve claims in the amount of \$35,231.10.

UPDATES

ADJOURN

## MEMBERS & TERMS

Rick Blake - 12/31/2022 (with Council term)

Tasha Connelly - 12/31/2022 (with Council term)

Cory Jackson - 3/1/23

Mike Korte - 3/1/22

John O'Leary - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** August 26, 2021

**STATEMENT OF ISSUE:** Approve the minutes from the August 12, 2021 regular meeting.

**PREPARED BY:** Aurimy Groom

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**BACKGROUND:**

**RECOMMENDATION:**

Approve the minutes from the August 12, 2021 regular meeting.

**REQUIRED ACTION:**

Make a motion approving the minutes from the August 12, 2021 regular meeting.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
THURSDAY, AUGUST 12TH, 2021  
4:00 P.M.  
GRAND RAPIDS CITY HALL – CONFERENCE ROOM 2A  
420 NORTH POKEGAMA AVE., GRAND RAPIDS, MINNESOTA**

**CALL TO ORDER:** Pursuant to due notice and call thereof, a Regular Meeting of the Grand Rapids Economic Development Authority (GREDA) was called to order on Thursday, August 12, 2021 at 4:03 p.m. in Conference Room 2A, of City Hall, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

**CALL OF ROLL:** On a Call of Roll the following members were present: Commissioners: Rick Blake, John O’Leary, Mike Korte, Cory Jackson, Sholom Blake and Al Hodnik. Absent: Tasha Connelly.

**SETTING OF REGULAR AGENDA:** **Approved with addition.**

Commissioner O’Leary joined the meeting at 4:06 p.m.  
Commissioner Jackson joined the meeting at 4:09 p.m.

**APPROVAL OF MINUTES:**

**MOTION BY COMMISSIONER HODNIK, SECOND BY COMMISSIONER KORTE TO APPROVE THE MINUTES OF THE JULY 22, 2021 SPECIAL MEETING. The following voted in favor thereof: S. Blake, Hodnik, Korte, Jackson, R. Blake, O’Leary. Opposed: None, passed unanimously.**

**APPROVAL OF CLAIMS:**

**MOTION BY COMMISSIONER R. BLAKE, SECOND BY COMMISSIONER KORTE TO APPROVE CLAIMS IN THE AMOUNT OF \$88,493.31.**

Iron Range Economic Alliance	\$75.00	Itasca County H.R.A.	\$11,958.03
Kennedy & Graven	\$1,311.90	MN DEED	\$1,000.00
Midland Title	\$40,000.00	Minnesota Energy Resources	\$18.00
Blandin Foundation	\$34,038.06	P.U.C.	\$92.32

**The following voted in favor thereof: S. Blake, Hodnik, Jackson, R. Blake, O’Leary, Korte. Opposed: None, passed unanimously.**

Consider accepting the draft 2022 GREDA Operations Budget and levy for the Capital Projects Fund

Rob Mattei, Community Development Director, discussed the proposed 2022 GREDA Operations Budget and levy to the Capital Projects Fund. He recommended to the Commissioners to stay at the requested \$60,000.00 levy amount. These funds would be directed to the Capital Projects Fund.

**MOTION BY COMMISSIONER HODNIK, SECOND BY COMMISSIONER O’LEARY, TO ADOPT THE RECOMMENDED 2022 OPERATING BUDGET, THE LEVY REQUEST OF \$60,000 AND DIRECT THE FINNACE DEPARTMENT TO TRANSFER THE FULL AMOUNT INTO THE CAPITAL PROJECTS FUND.**

**The following voted in favor thereof: S. Blake, Hodnik, Jackson, R. Blake, O’Leary, Korte. Opposed: None, passed unanimously.**

Agenda Item #7: Review draft architectural and engineering report for the industrial building concept.

Community Development Director Rob Mattei discussed the draft architectural and engineering report for the industrial building concept by showing the report by LHB’s zoning and site design/concept. He discussed the parcels being considered – the two east verses the two west parcels. Each has different site options and layouts. Option A from the report utilizes the east two parcels and he states that they are well laid out with the exception that they are a bit narrow. These lots could borrow approximate 16’ to the west without impact to the other west two lots.

The review also discussed the options of the building itself, the breakdown of the structural costs and the best plan for the multi-tenant building. Community Development Director Rob Mattei stated that the next steps would be to present a fully loaded costs, any changes to the report and possible leasing costs/rates.

**NO MOTION REQUIRED**

#8 Consider approval of a lease with Embrace Mental Health for Suite 3 of Central School.

Dana Butler of Embrace Mental Health is interested in leasing Suite 3, located on the Garden Level of Central School. Ms. Butler has leased space previously but Covid caused her early termination in June of 2020. She would like to come back and her lease was paid in full until her early termination.

**MOTION BY COMMISSIONER KORTE, SECOND BY COMMISSIONER HODNIK, TO APPROVE A LEASE WITH EMBRACE MENTAL HEALTH FOR SUITE 3 OF CENTRAL SCHOOL. The following voted in favor thereof: S. Blake, Hodnik, Jackson, R. Blake, O’Leary, Korte. Opposed: None, passed unanimously**

#9 Updates:

- a. Grand Rapids/Cohasset Industrial Infrastructure Project Funding  
Community Development Director discussed pursuing other funding for the Voyageur Capital Site (the old Ainsworth, “Blandex Site”). We do have the Federal EDA grant and he recently submitted a \$250,000 Community Infrastructure Grant and the IRRRB forwarded our application to the city of Cohasset so they could submit the same grant request for \$250,000. We are about 75% done with DEED Business Development Public Infrastructure Grant for \$250,000.
- b. Former Forest Lake School Site housing  
Community Development Director discussed the following: The site closes with ISD318 on September 1<sup>st</sup>. That there is a discussion with the city council to transfer

the title of the site to EDA. EDA has the ability and is required to put it into their “future sale” which the site would then be developed within a year of that “future sale”. Due to the challenges involved with property transactions, the City Council would prefer that EDA handle this. Community Development Director Rob Mattei will discuss with the City Council after the transaction with the school district is complete. He also stated that we organized a meeting today with the Greater Minnesota Housing Fund (GMHF) and wanted the business developers, funders and loan agents, to talk about the services they can provide and start a game plan for this site.

GMHF and the city worked closely when it developed the former middle school site into single-family housing. There was TIF to cover such things as water and sewer etc., in that project and with this project, the cost estimates to serve the lots in the area are going to be potentially come out of American Rescue Plan Funds to do that infrastructure. This lowers the cost of the development and then passing the lower cost to someone purchasing in the future.

We could go a couple of different directions, one is to develop a concept for this redevelopment of this site into single-family homes and have a couple of options with the help of GMHF. We would then issue an RFP to different contractors in the Duluth and in the Twin Cities area that they think might be interested in this type of housing. We could show some of our ideas, but ask for their input and their expertise in the developing a proposal back to us and possibly sell them the entire site to them. Under that scenario, commencing construction could mean the first house could be built right away and it would give us enough flexibility.

Commissioner S. Blake asked how do we make sure that they do not build only three houses? Community Development Director stated that you could put in other conditions, such as “to be completed in 5 years”. Something that would also give more leverage would be to promise to provide Tax Increment Financing as well.

c. DEED Small Cities Development Program Commercial and Residential Rehabilitation Grant

We are nearly at the end of this grant that was extended another year due to Covid. This is an \$878,700.00 grant from DEED through their Small Cities Development Program. This provided for 10 commercial rehab projects that the maximum assistance per project was \$32,000.00 and that required a 40% match, but was forgivable over a 10 year term. Within the grant, they had budgeted for 24 residential rehabilitation projects that had a 60/40 split, similar forgivable terms, maximum assistance was \$22,400.00. We spent all the commercial rehab funds and on the residential side, we did the 24 residential rehabs, but were not able to spend down the entire budgeted amount of the grant. So, \$43,000 will be returned, approximately 5% of the grant. In comparison with other communities, the DEED Representative said that’s pretty good. Itasca County HRA will have a full report around October/November of the final wrap up of this grant.

Update on the VFW Site, there have been two interested parties. The next step that they should take would be a letter of intent for new construction.

Commissioner O’Leary asked about developers and if Rob Mattei has seen the same boom for multi-family properties. Community Development Director Rob Mattei stated that it is easier to attract those developers versus the single-family developers from the cities. There is more interest in multi-family developments; even the developer that is working on the site we sold last year is interested in another project. We had individual developers at the Forest Hills site, but construction suppressed due to factors such as the cost of materials and labor rates. Question on the vacancy rate historically has been at 1%, virtually meaning no vacancy.

There being no further business the meeting adjourned at 5:05 p.m.

Respectfully submitted:

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Cynthia Lyman, Recorder

DRAFT

DATE: 09/02/2021  
 TIME: 14:02:44  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 09/09/2021

VENDOR #	NAME	AMOUNT DUE
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EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
1105530	KENNEDY & GRAVEN, CHARTERED	978.10
TOTAL MISCELLANEOUS PROJECT		978.10
AIRPORT SOUTH INDUSTRIAL PARKS		
1200800	LHB INC	5,390.00
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		5,390.00
MANUFACTURING HANGAR		
1105530	KENNEDY & GRAVEN, CHARTERED	504.00
TOTAL MANUFACTURING HANGAR		504.00
AINSWORTH FACILITY REDEVELPMNT		
1900225	SEH	1,725.00
TOTAL AINSWORTH FACILITY REDEVELPMNT		1,725.00
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$ 8,597.10
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920051	ITASCA COUNTY H.R.A.	26,440.02
0920060	ITASCA COUNTY TREASURER	92.00
1309199	MINNESOTA ENERGY RESOURCES	18.75
1621130	P.U.C.	83.23
TOTAL PRIOR APPROVAL ALLOWED IN TEH SUM OF:		\$ 26,634.00
TOTAL ALL DEPARTMENTS		35,231.10



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** September 9<sup>th</sup>, 2021

**STATEMENT OF ISSUE:** Approve the claims in the amount of \$35,231.10.

**PREPARED BY:** Rob Mattei

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**BACKGROUND:**

**RECOMMENDATION:**

Approve the claims in the amount of \$35,231.10

**REQUIRED ACTION:**

Make a motion approving the claims in the amount of \$35,231.10.