



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

## **CITY COUNCIL WORKSESSION AGENDA**

**Monday, March 25, 2024**

**4:00 PM**

**CALL TO ORDER:** Pursuant to due notice and call thereof, a Worksession meeting of the Grand Rapids City Council will be held on Monday, March 25, 2024 at 4:00 PM in the City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

**ROLL CALL:**

**BUSINESS:**

1. Discussion on new joint City/GRPU Enterprise Planning System (ERP) software implementation and funding sources.

**DEPARTMENT HEAD REPORT:**

2. Community Development Department Report

**REVIEW OF REGULAR AGENDA:**

**ADJOURN:**

Attest: Kimberly Gibeau, City Clerk



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

## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** March 25, 2024

**AGENDA ITEM:** Discussion on new joint City/GRPU Enterprise Planning System (ERP) software implementation and funding sources.

**PREPARED BY:** Barb Baird

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### BACKGROUND:

The joint city/utility ERP software cost were received and total \$739,351, of which the city share is \$345,628 and GRPU share is \$393,723. In addition, the GRPU has \$474,200 in Utility Software.

The City has had the same financial software since at least 2000. The software is very antiquated and is Cobol based and not compatible with other applications. By partnering with GRPU and sharing the same platform, we can work collaboratively with the consistency of having the same software.

The City and GRPU have researched three main funding options (debt) with Ehlers.

- Competitive Sale of Equipment Certificated of approximately \$1,000,000
- Internal Loan \$1,000,000
- Lease or Bank Placement \$1,000,000

The City would be looking to issue debt for \$1,000,000 for seven years. Ehlers has provided issuance options, summary and background financial information.

### REQUESTED COUNCIL ACTION:

Review financing options for new joint City/GRPU Enterprise Planning System (ERP) software and receive feedback.

**Issue Options Summary**  
 General Obligation Equipment Certificates, Series 2024A  
 City & Public Utilities Commission of Grand Rapids, Minnesota

Assumptions	
Rating	AA-
Interest Rates	Assumes Current Market Rates Plus 50 Basis Points
Payments	Annual Principal, Semi-Annual Interest (Option No. 1), Semi-Annual Principal & Interest (Options No. 2 & No. 3)
Term (in years)	7
Project Costs	\$1,225,000 for an Enterprise Resource Planning System

Issue Options Summary									
Series	True Interest Cost	Closing Date (1)	Estimated				Total Principal and Interest	Average Annual Payment	Total Cost of Issuance & Discount
			Cash Contribution	Construction Fund Deposit	Total Principal	Total Interest			
<b>Option No. 1: Competitive Sale</b>									
City	3.48%	09/05/24	-	350,000	370,000	52,702	422,702	60,386	20,000
GRPU	3.48%	09/05/24	225,000	875,000	685,000	97,683	782,683	111,812	35,000
<b>Total</b>			<b>225,000</b>	<b>1,225,000</b>	<b>1,055,000</b>	<b>150,385</b>	<b>1,205,385</b>	<b>172,198</b>	<b>55,000</b>
<b>Option No. 2: Internal Loan</b>									
City	3.99%	09/05/24	-	350,000	350,000	61,190	411,190	58,741	-
GRPU	3.99%	09/05/24	225,000	875,000	650,000	113,630	763,630	109,090	-
<b>Total</b>			<b>225,000</b>	<b>1,225,000</b>	<b>1,000,000</b>	<b>174,820</b>	<b>1,174,820</b>	<b>167,831</b>	<b>-</b>
<b>Option No. 3: Lease or Bank Placement</b>									
City	5.42%	09/05/24	-	350,000	361,000	87,201	448,201	64,029	10,174
GRPU	5.42%	09/05/24	225,000	875,000	668,000	161,402	829,402	118,486	18,826
<b>Total</b>			<b>225,000</b>	<b>1,225,000</b>	<b>1,029,000</b>	<b>248,603</b>	<b>1,277,603</b>	<b>182,515</b>	<b>29,000</b>

Notes (1) Subject to change.

# City of Grand Rapids, Minnesota

\$1,055,000 General Obligation Equipment Certificates, Series 2024

Issue Summary - Competitive Sale

Assumes Current Market BQ AA- Rates +50bps

## Total Issue Sources And Uses

Dated 09/05/2024 | Delivered 09/05/2024

	City Equipment	Utility Equipment	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$370,000.00	\$685,000.00	\$1,055,000.00
Planned Issuer Equity contribution	-	225,000.00	225,000.00
<b>Total Sources</b>	<b>\$370,000.00</b>	<b>\$910,000.00</b>	<b>\$1,280,000.00</b>
<b>Uses Of Funds</b>			
Total Underwriter's Discount (1.500%)	5,550.00	10,275.00	15,825.00
Costs of Issuance	13,327.02	24,672.98	38,000.00
Deposit to Project Construction Fund	350,000.00	875,000.00	1,225,000.00
Rounding Amount	1,122.98	52.02	1,175.00
<b>Total Uses</b>	<b>\$370,000.00</b>	<b>\$910,000.00</b>	<b>\$1,280,000.00</b>

# City of Grand Rapids, Minnesota

\$1,055,000 General Obligation Equipment Certificates, Series 2024

Issue Summary - Competitive Sale

Assumes Current Market BQ AA- Rates +50bps

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	-	-	30,087.08	30,087.08	-
02/01/2026	125,000.00	3.400%	16,612.50	141,612.50	171,699.58
08/01/2026	-	-	14,487.50	14,487.50	-
02/01/2027	145,000.00	3.200%	14,487.50	159,487.50	173,975.00
08/01/2027	-	-	12,167.50	12,167.50	-
02/01/2028	145,000.00	3.100%	12,167.50	157,167.50	169,335.00
08/01/2028	-	-	9,920.00	9,920.00	-
02/01/2029	155,000.00	3.100%	9,920.00	164,920.00	174,840.00
08/01/2029	-	-	7,517.50	7,517.50	-
02/01/2030	155,000.00	3.100%	7,517.50	162,517.50	170,035.00
08/01/2030	-	-	5,115.00	5,115.00	-
02/01/2031	160,000.00	3.100%	5,115.00	165,115.00	170,230.00
08/01/2031	-	-	2,635.00	2,635.00	-
02/01/2032	170,000.00	3.100%	2,635.00	172,635.00	175,270.00
<b>Total</b>	<b>\$1,055,000.00</b>	<b>-</b>	<b>\$150,384.58</b>	<b>\$1,205,384.58</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$4,822.86
Average Life	4.571 Years
Average Coupon	3.1181611%
Net Interest Cost (NIC)	3.4462858%
True Interest Cost (TIC)	3.4772986%
Bond Yield for Arbitrage Purposes	3.1149914%
All Inclusive Cost (AIC)	4.3785210%

## IRS Form 8038

Net Interest Cost	3.1181611%
Weighted Average Maturity	4.571 Years

# City of Grand Rapids, Minnesota

\$370,000 General Obligation Equipment Certificates, Series 2024

City Equipment

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	-	-	10,554.25	10,554.25	-
02/01/2026	45,000.00	3.400%	5,827.50	50,827.50	61,381.75
08/01/2026	-	-	5,062.50	5,062.50	-
02/01/2027	50,000.00	3.200%	5,062.50	55,062.50	60,125.00
08/01/2027	-	-	4,262.50	4,262.50	-
02/01/2028	50,000.00	3.100%	4,262.50	54,262.50	58,525.00
08/01/2028	-	-	3,487.50	3,487.50	-
02/01/2029	55,000.00	3.100%	3,487.50	58,487.50	61,975.00
08/01/2029	-	-	2,635.00	2,635.00	-
02/01/2030	55,000.00	3.100%	2,635.00	57,635.00	60,270.00
08/01/2030	-	-	1,782.50	1,782.50	-
02/01/2031	55,000.00	3.100%	1,782.50	56,782.50	58,565.00
08/01/2031	-	-	930.00	930.00	-
02/01/2032	60,000.00	3.100%	930.00	60,930.00	61,860.00
<b>Total</b>	<b>\$370,000.00</b>	<b>-</b>	<b>\$52,701.75</b>	<b>\$422,701.75</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$1,690.06
Average Life	4.568 Years
Average Coupon	3.1183442%
Net Interest Cost (NIC)	3.4467358%
True Interest Cost (TIC)	3.4777951%
Bond Yield for Arbitrage Purposes	3.1149914%
All Inclusive Cost (AIC)	4.3798053%

## IRS Form 8038

Net Interest Cost	3.1183442%
Weighted Average Maturity	4.568 Years

# City of Grand Rapids, Minnesota

\$685,000 General Obligation Equipment Certificates, Series 2024

Utility Equipment

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	-	-	19,532.83	19,532.83	-
02/01/2026	80,000.00	3.400%	10,785.00	90,785.00	110,317.83
08/01/2026	-	-	9,425.00	9,425.00	-
02/01/2027	95,000.00	3.200%	9,425.00	104,425.00	113,850.00
08/01/2027	-	-	7,905.00	7,905.00	-
02/01/2028	95,000.00	3.100%	7,905.00	102,905.00	110,810.00
08/01/2028	-	-	6,432.50	6,432.50	-
02/01/2029	100,000.00	3.100%	6,432.50	106,432.50	112,865.00
08/01/2029	-	-	4,882.50	4,882.50	-
02/01/2030	100,000.00	3.100%	4,882.50	104,882.50	109,765.00
08/01/2030	-	-	3,332.50	3,332.50	-
02/01/2031	105,000.00	3.100%	3,332.50	108,332.50	111,665.00
08/01/2031	-	-	1,705.00	1,705.00	-
02/01/2032	110,000.00	3.100%	1,705.00	111,705.00	113,410.00
<b>Total</b>	<b>\$685,000.00</b>	<b>-</b>	<b>\$97,682.83</b>	<b>\$782,682.83</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$3,132.81
Average Life	4.573 Years
Average Coupon	3.1180623%
Net Interest Cost (NIC)	3.4460431%
True Interest Cost (TIC)	3.4770308%
Bond Yield for Arbitrage Purposes	3.1149914%
All Inclusive Cost (AIC)	4.3778282%

## IRS Form 8038

Net Interest Cost	3.1180623%
Weighted Average Maturity	4.573 Years

# City of Grand Rapids, Minnesota

\$1,000,000 General Obligation Equipment Certificates, Series 2024  
 Issue Summary - Interfund Loan  
 Fixed Rate

## Total Issue Sources And Uses

Dated 09/05/2024 | Delivered 09/05/2024

	City Equipment	Utility Equipment	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$350,000.00	\$650,000.00	\$1,000,000.00
Planned Issuer Equity contribution	-	225,000.00	225,000.00
<b>Total Sources</b>	<b>\$350,000.00</b>	<b>\$875,000.00</b>	<b>\$1,225,000.00</b>
<b>Uses Of Funds</b>			
Deposit to Project Construction Fund	350,000.00	875,000.00	1,225,000.00
<b>Total Uses</b>	<b>\$350,000.00</b>	<b>\$875,000.00</b>	<b>\$1,225,000.00</b>



# City of Grand Rapids, Minnesota

\$1,000,000 General Obligation Equipment Certificates, Series 2024

Issue Summary - Interfund Loan

Fixed Rate

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	47,700.00	4.000%	36,222.22	83,922.22	-
02/01/2026	64,900.00	4.000%	19,046.00	83,946.00	167,868.22
08/01/2026	66,100.00	4.000%	17,748.00	83,848.00	-
02/01/2027	67,500.00	4.000%	16,426.00	83,926.00	167,774.00
08/01/2027	68,800.00	4.000%	15,076.00	83,876.00	-
02/01/2028	70,200.00	4.000%	13,700.00	83,900.00	167,776.00
08/01/2028	71,700.00	4.000%	12,296.00	83,996.00	-
02/01/2029	73,100.00	4.000%	10,862.00	83,962.00	167,958.00
08/01/2029	74,500.00	4.000%	9,400.00	83,900.00	-
02/01/2030	76,000.00	4.000%	7,910.00	83,910.00	167,810.00
08/01/2030	77,500.00	4.000%	6,390.00	83,890.00	-
02/01/2031	79,100.00	4.000%	4,840.00	83,940.00	167,830.00
08/01/2031	80,600.00	4.000%	3,258.00	83,858.00	-
02/01/2032	82,300.00	4.000%	1,646.00	83,946.00	167,804.00
<b>Total</b>	<b>\$1,000,000.00</b>	<b>-</b>	<b>\$174,820.22</b>	<b>\$1,174,820.22</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$4,370.51
Average Life	4.371 Years
Average Coupon	3.9999999%
Net Interest Cost (NIC)	3.9999999%
True Interest Cost (TIC)	3.9927711%
Bond Yield for Arbitrage Purposes	3.9927711%
All Inclusive Cost (AIC)	3.9927711%

## IRS Form 8038

Net Interest Cost	3.9999999%
Weighted Average Maturity	4.371 Years

# City of Grand Rapids, Minnesota

\$350,000 General Obligation Equipment Certificates, Series 2024

City Equipment

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	16,700.00	4.000%	12,677.78	29,377.78	-
02/01/2026	22,700.00	4.000%	6,666.00	29,366.00	58,743.78
08/01/2026	23,100.00	4.000%	6,212.00	29,312.00	-
02/01/2027	23,600.00	4.000%	5,750.00	29,350.00	58,662.00
08/01/2027	24,100.00	4.000%	5,278.00	29,378.00	-
02/01/2028	24,600.00	4.000%	4,796.00	29,396.00	58,774.00
08/01/2028	25,100.00	4.000%	4,304.00	29,404.00	-
02/01/2029	25,600.00	4.000%	3,802.00	29,402.00	58,806.00
08/01/2029	26,100.00	4.000%	3,290.00	29,390.00	-
02/01/2030	26,600.00	4.000%	2,768.00	29,368.00	58,758.00
08/01/2030	27,100.00	4.000%	2,236.00	29,336.00	-
02/01/2031	27,700.00	4.000%	1,694.00	29,394.00	58,730.00
08/01/2031	28,200.00	4.000%	1,140.00	29,340.00	-
02/01/2032	28,800.00	4.000%	576.00	29,376.00	58,716.00
<b>Total</b>	<b>\$350,000.00</b>	<b>-</b>	<b>\$61,189.78</b>	<b>\$411,189.78</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$1,529.74
Average Life	4.371 Years
Average Coupon	4.0000001%
Net Interest Cost (NIC)	4.0000001%
True Interest Cost (TIC)	3.9927716%
Bond Yield for Arbitrage Purposes	3.9927711%
All Inclusive Cost (AIC)	3.9927716%

## IRS Form 8038

Net Interest Cost	4.0000001%
Weighted Average Maturity	4.371 Years

# City of Grand Rapids, Minnesota

\$650,000 General Obligation Equipment Certificates, Series 2024

Utility Equipment

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	31,000.00	4.000%	23,544.44	54,544.44	-
02/01/2026	42,200.00	4.000%	12,380.00	54,580.00	109,124.44
08/01/2026	43,000.00	4.000%	11,536.00	54,536.00	-
02/01/2027	43,900.00	4.000%	10,676.00	54,576.00	109,112.00
08/01/2027	44,700.00	4.000%	9,798.00	54,498.00	-
02/01/2028	45,600.00	4.000%	8,904.00	54,504.00	109,002.00
08/01/2028	46,600.00	4.000%	7,992.00	54,592.00	-
02/01/2029	47,500.00	4.000%	7,060.00	54,560.00	109,152.00
08/01/2029	48,400.00	4.000%	6,110.00	54,510.00	-
02/01/2030	49,400.00	4.000%	5,142.00	54,542.00	109,052.00
08/01/2030	50,400.00	4.000%	4,154.00	54,554.00	-
02/01/2031	51,400.00	4.000%	3,146.00	54,546.00	109,100.00
08/01/2031	52,400.00	4.000%	2,118.00	54,518.00	-
02/01/2032	53,500.00	4.000%	1,070.00	54,570.00	109,088.00
<b>Total</b>	<b>\$650,000.00</b>	<b>-</b>	<b>\$113,630.44</b>	<b>\$763,630.44</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$2,840.76
Average Life	4.370 Years
Average Coupon	3.9999998%
Net Interest Cost (NIC)	3.9999998%
True Interest Cost (TIC)	3.9927708%
Bond Yield for Arbitrage Purposes	3.9927711%
All Inclusive Cost (AIC)	3.9927708%

## IRS Form 8038

Net Interest Cost	3.9999998%
Weighted Average Maturity	4.370 Years

# City of Grand Rapids, Minnesota

\$1,029,000 General Obligation Equipment Certificates, Series 2024

Issue Summary - Lease Option

Fixed Rate

## Total Issue Sources And Uses

Dated 09/05/2024 | Delivered 09/05/2024

	City Equipment	Utility Equipment	Issue Summary
<b>Sources Of Funds</b>			
Par Amount of Bonds	\$361,000.00	\$668,000.00	\$1,029,000.00
Planned Issuer Equity contribution	-	225,000.00	225,000.00
<b>Total Sources</b>	<b>\$361,000.00</b>	<b>\$893,000.00</b>	<b>\$1,254,000.00</b>
<b>Uses Of Funds</b>			
Costs of Issuance	10,173.95	18,826.05	29,000.00
Deposit to Project Construction Fund	350,000.00	875,000.00	1,225,000.00
Rounding Amount	826.05	(826.05)	-
<b>Total Uses</b>	<b>\$361,000.00</b>	<b>\$893,000.00</b>	<b>\$1,254,000.00</b>

# City of Grand Rapids, Minnesota

\$1,029,000 General Obligation Equipment Certificates, Series 2024

Issue Summary - Lease Option

Fixed Rate

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	40,000.00	5.430%	50,597.64	90,597.64	-
02/01/2026	65,000.00	5.430%	26,851.35	91,851.35	182,448.99
08/01/2026	66,000.00	5.430%	25,086.60	91,086.60	-
02/01/2027	68,000.00	5.430%	23,294.70	91,294.70	182,381.30
08/01/2027	69,000.00	5.430%	21,448.50	90,448.50	-
02/01/2028	72,000.00	5.430%	19,575.15	91,575.15	182,023.65
08/01/2028	74,000.00	5.430%	17,620.35	91,620.35	-
02/01/2029	76,000.00	5.430%	15,611.25	91,611.25	183,231.60
08/01/2029	77,000.00	5.430%	13,547.85	90,547.85	-
02/01/2030	80,000.00	5.430%	11,457.30	91,457.30	182,005.15
08/01/2030	82,000.00	5.430%	9,285.30	91,285.30	-
02/01/2031	85,000.00	5.430%	7,059.00	92,059.00	183,344.30
08/01/2031	86,000.00	5.430%	4,751.25	90,751.25	-
02/01/2032	89,000.00	5.430%	2,416.35	91,416.35	182,167.60
<b>Total</b>	<b>\$1,029,000.00</b>	<b>-</b>	<b>\$248,602.59</b>	<b>\$1,277,602.59</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$4,578.32
Average Life	4.449 Years
Average Coupon	5.4299999%
Net Interest Cost (NIC)	5.4299999%
True Interest Cost (TIC)	5.4165753%
Bond Yield for Arbitrage Purposes	5.4165753%
All Inclusive Cost (AIC)	6.1657870%

## IRS Form 8038

Net Interest Cost	5.4299999%
Weighted Average Maturity	4.449 Years

# City of Grand Rapids, Minnesota

\$361,000 General Obligation Equipment Certificates, Series 2024

City Equipment

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	14,000.00	5.430%	17,750.97	31,750.97	-
02/01/2026	23,000.00	5.430%	9,421.05	32,421.05	64,172.02
08/01/2026	23,000.00	5.430%	8,796.60	31,796.60	-
02/01/2027	24,000.00	5.430%	8,172.15	32,172.15	63,968.75
08/01/2027	24,000.00	5.430%	7,520.55	31,520.55	-
02/01/2028	25,000.00	5.430%	6,868.95	31,868.95	63,389.50
08/01/2028	26,000.00	5.430%	6,190.20	32,190.20	-
02/01/2029	27,000.00	5.430%	5,484.30	32,484.30	64,674.50
08/01/2029	27,000.00	5.430%	4,751.25	31,751.25	-
02/01/2030	28,000.00	5.430%	4,018.20	32,018.20	63,769.45
08/01/2030	29,000.00	5.430%	3,258.00	32,258.00	-
02/01/2031	30,000.00	5.430%	2,470.65	32,470.65	64,728.65
08/01/2031	30,000.00	5.430%	1,656.15	31,656.15	-
02/01/2032	31,000.00	5.430%	841.65	31,841.65	63,497.80
<b>Total</b>	<b>\$361,000.00</b>	<b>-</b>	<b>\$87,200.67</b>	<b>\$448,200.67</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$1,605.91
Average Life	4.448 Years
Average Coupon	5.4299999%
Net Interest Cost (NIC)	5.4299999%
True Interest Cost (TIC)	5.4165734%
Bond Yield for Arbitrage Purposes	5.4165753%
All Inclusive Cost (AIC)	6.1658874%

## IRS Form 8038

Net Interest Cost	5.4299999%
Weighted Average Maturity	4.448 Years

# City of Grand Rapids, Minnesota

\$668,000 General Obligation Equipment Certificates, Series 2024

Utility Equipment

## Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
09/05/2024	-	-	-	-	-
08/01/2025	26,000.00	5.430%	32,846.67	58,846.67	-
02/01/2026	42,000.00	5.430%	17,430.30	59,430.30	118,276.97
08/01/2026	43,000.00	5.430%	16,290.00	59,290.00	-
02/01/2027	44,000.00	5.430%	15,122.55	59,122.55	118,412.55
08/01/2027	45,000.00	5.430%	13,927.95	58,927.95	-
02/01/2028	47,000.00	5.430%	12,706.20	59,706.20	118,634.15
08/01/2028	48,000.00	5.430%	11,430.15	59,430.15	-
02/01/2029	49,000.00	5.430%	10,126.95	59,126.95	118,557.10
08/01/2029	50,000.00	5.430%	8,796.60	58,796.60	-
02/01/2030	52,000.00	5.430%	7,439.10	59,439.10	118,235.70
08/01/2030	53,000.00	5.430%	6,027.30	59,027.30	-
02/01/2031	55,000.00	5.430%	4,588.35	59,588.35	118,615.65
08/01/2031	56,000.00	5.430%	3,095.10	59,095.10	-
02/01/2032	58,000.00	5.430%	1,574.70	59,574.70	118,669.80
<b>Total</b>	<b>\$668,000.00</b>	<b>-</b>	<b>\$161,401.92</b>	<b>\$829,401.92</b>	<b>-</b>

## Yield Statistics

Bond Year Dollars	\$2,972.41
Average Life	4.450 Years
Average Coupon	5.4299999%
Net Interest Cost (NIC)	5.4299999%
True Interest Cost (TIC)	5.4165763%
Bond Yield for Arbitrage Purposes	5.4165753%
All Inclusive Cost (AIC)	6.1657328%

## IRS Form 8038

Net Interest Cost	5.4299999%
Weighted Average Maturity	4.450 Years



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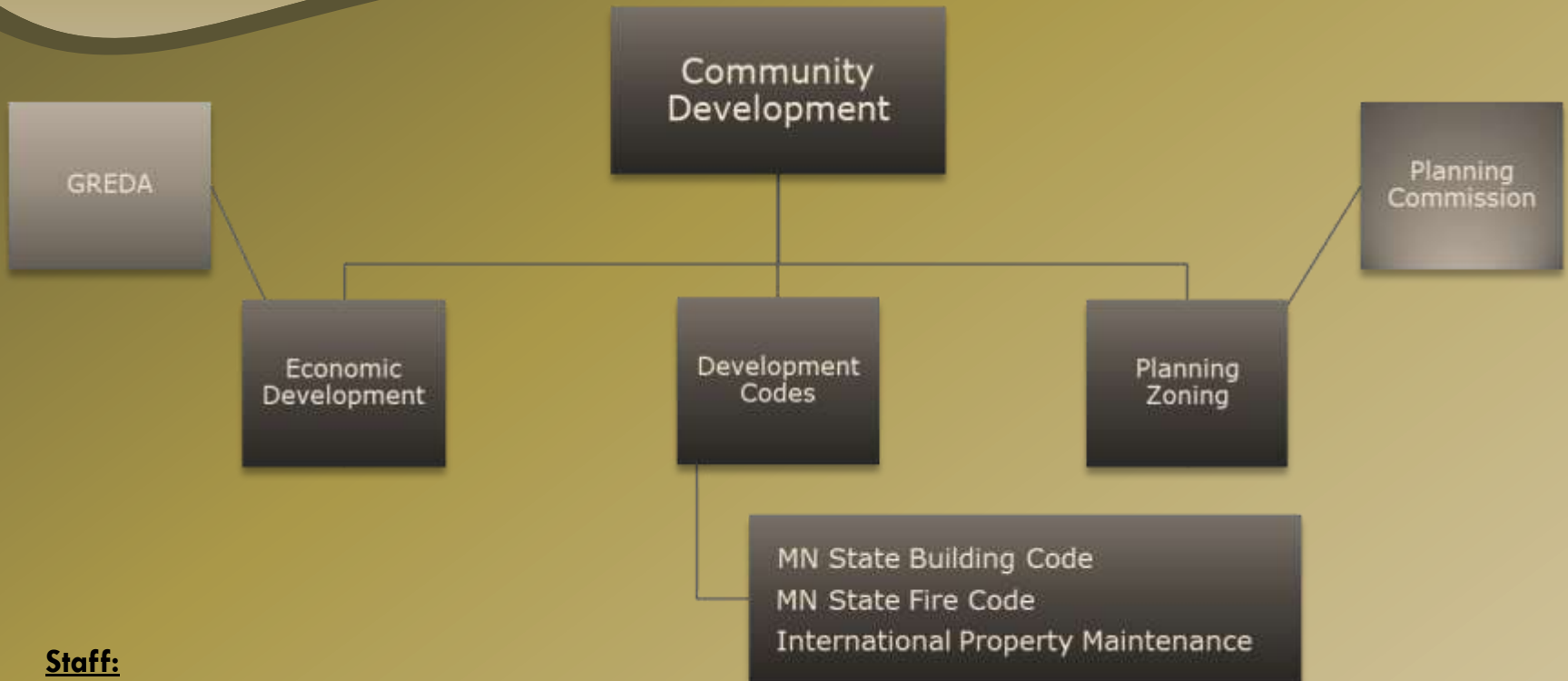
# **Community Development Department Report**

**March 25, 2024**





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**Staff:**

Director of Community Development – Rob Mattei  
Administrative Assist./Permit Tech. – Aurimy Groom  
Building Official – Jon Peterson  
Building Inspector – Paul Martinetto  
Assistant Community Development Director – Dan Swenson

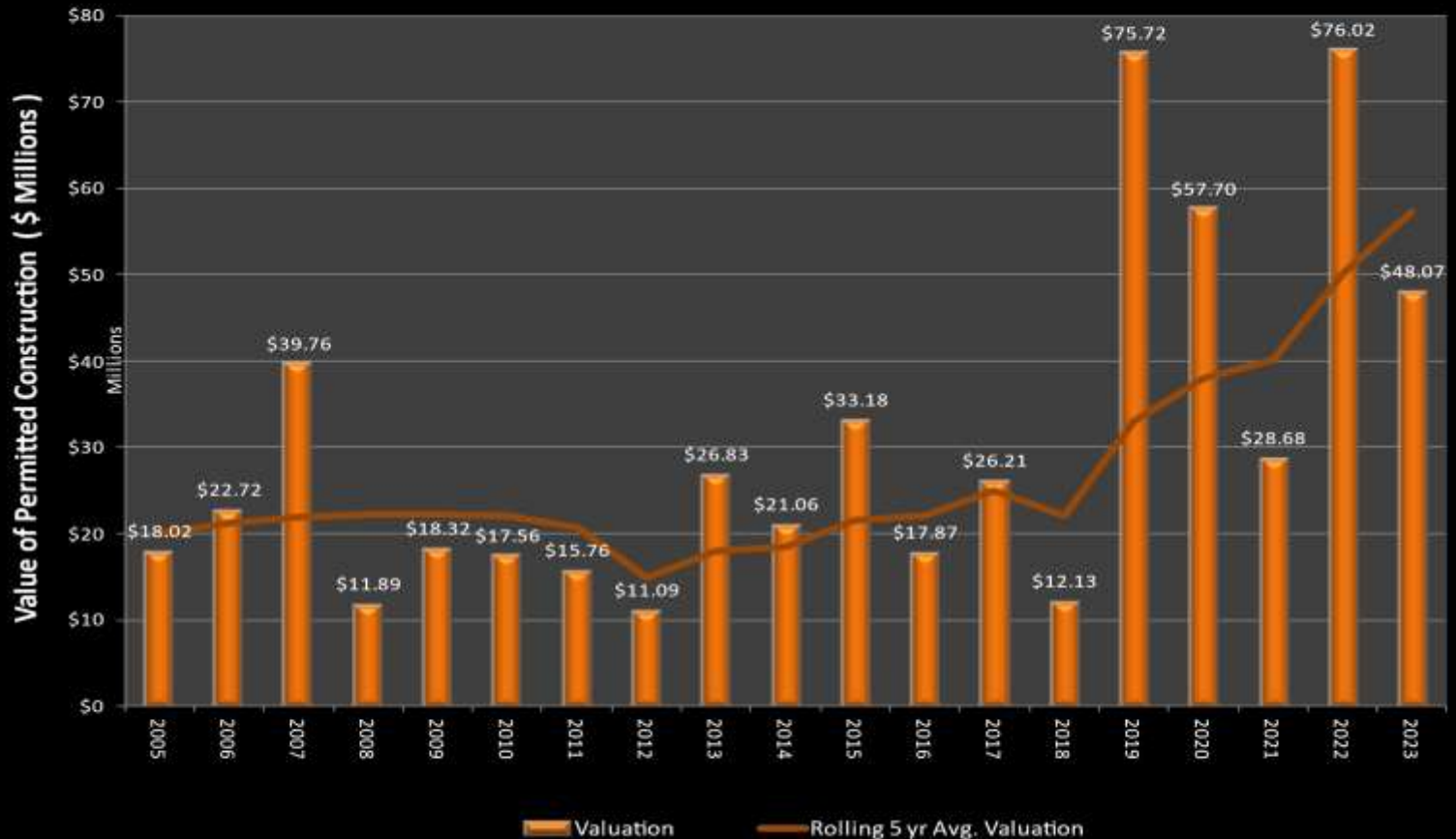


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# Building Permit Valuation Year End Statistics

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## Building Permit Valuation History 2005-2023 Statistics

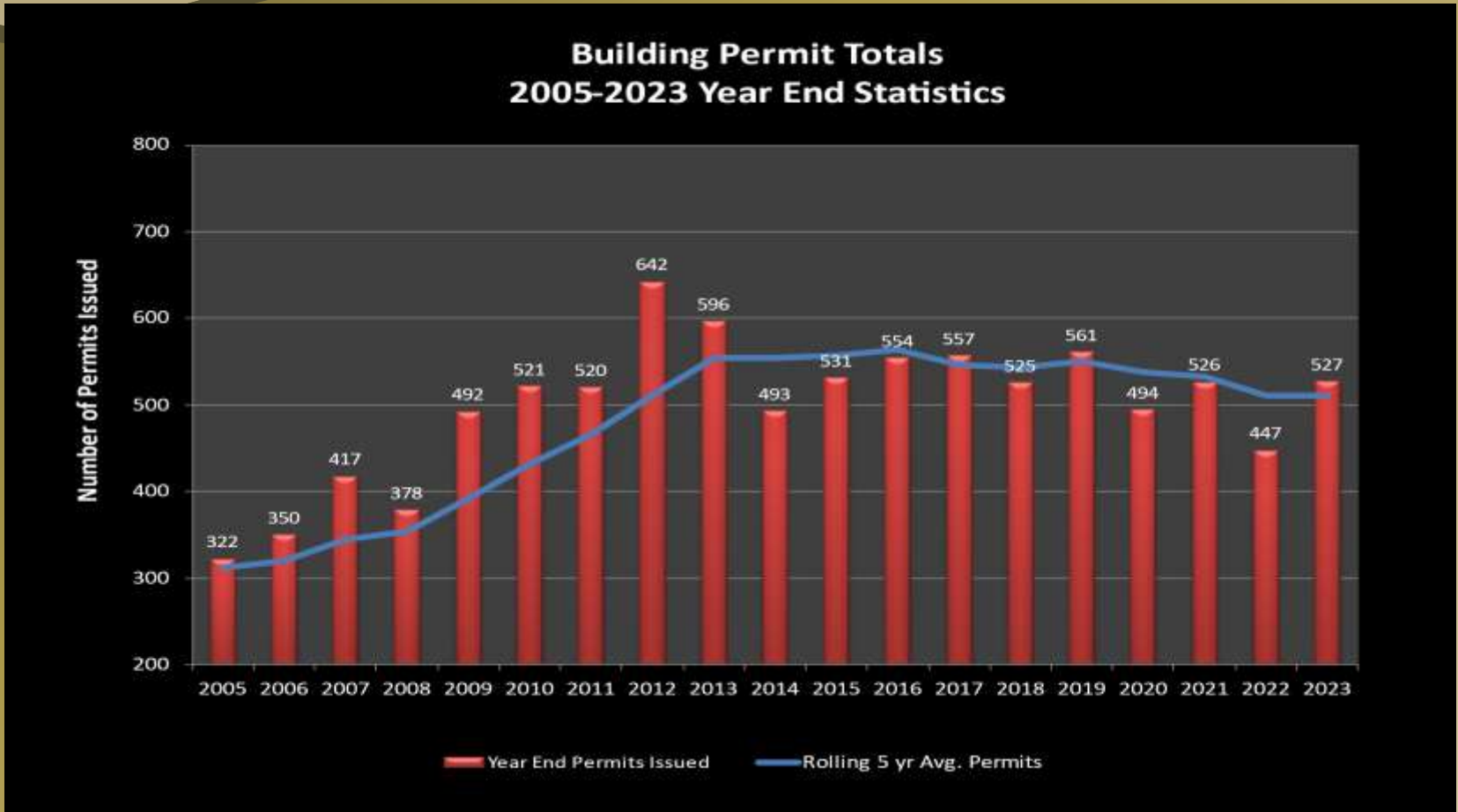




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# Issued Building Permits Year End Statistics

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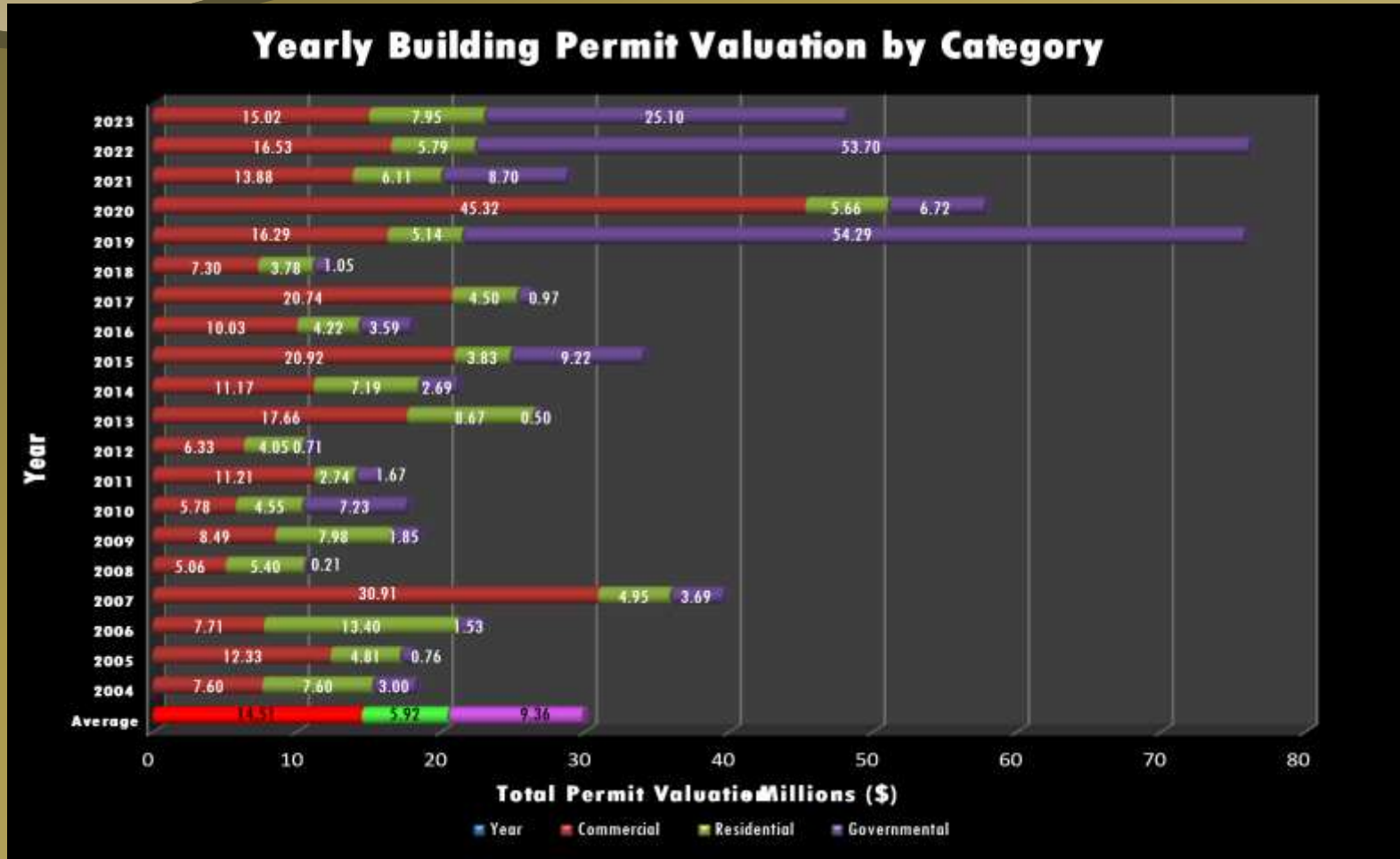




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# Building Permit Valuation by Category Year End Statistics

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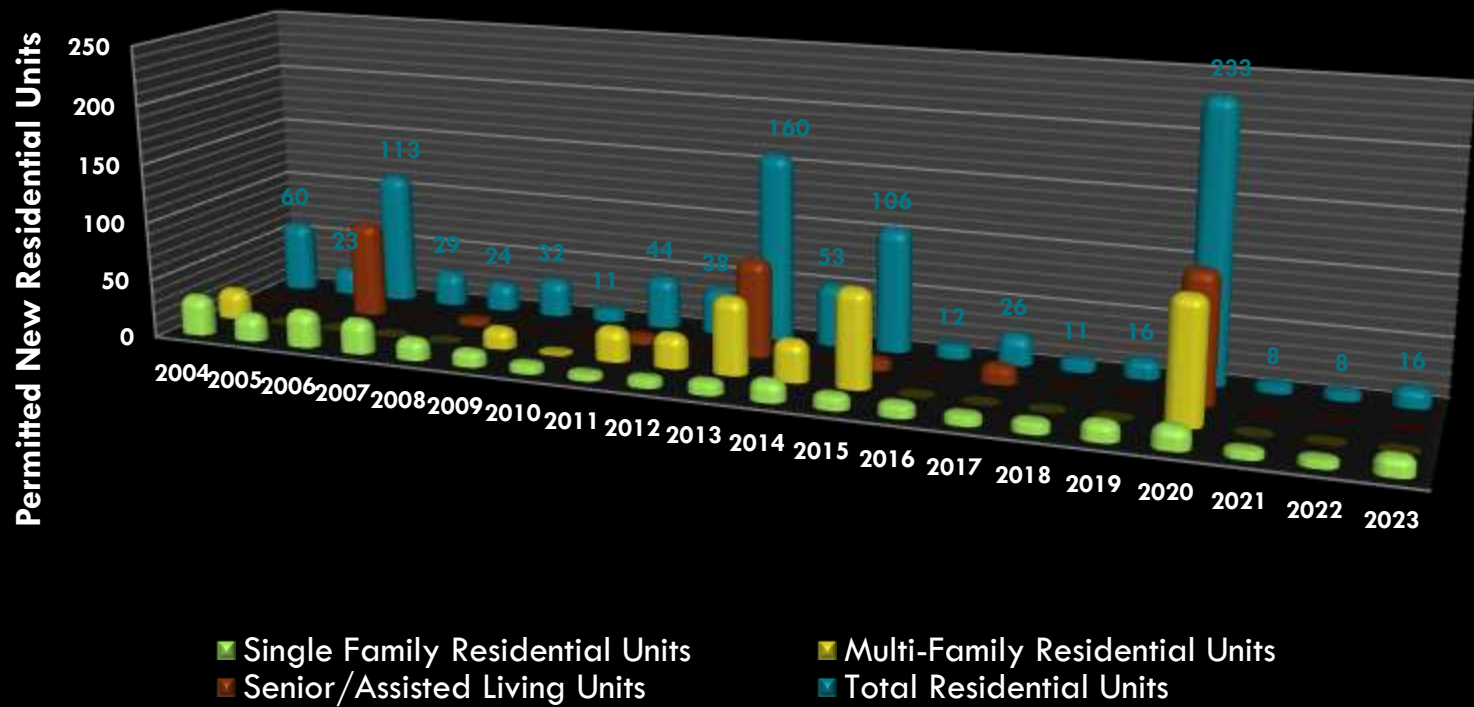




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# New Housing Statistics

## Grand Rapids New Residential Development History





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# 2023 Permitted Construction Highlights

- ❖ **16 New Single Family (3 manufactured, & 13 site built SFD's) - \$3,338,000.00**
  - ( Ten-year Single-Family Dwelling average/year = 12.82)
  
- ❖ **Major New Commercial**
  - Yanmar – (840 Lily Lane) - \$2,500,000.00
  
- ❖ **Commercial/Institutional/Governmental Additions, Remodels & Repairs**
  - City of Grand Rapids Yanmar Area (1401 NW 3<sup>rd</sup> Avenue) - \$12,000,000.00
  - ISD 318 (800 Conifer Drive) – \$9,500,000
  - Yanmar (840 Lily Lane) - \$1,300,000.00
  - Blandin Foundation (100 N Pokegama Avenue) \$1,300,000.00
  - Automotive Electric (407 NW 6<sup>th</sup> Avenue)- \$1,200,000.00



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# Building Safety Activity

## ❖ Building Report for 2023

- **Addressed 8 Hazardous Building/Property Maintenance Code violations**
- **Performed 1,380 on-site construction inspections**
- **Competed 124 commercial and 226 residential plan reviews**
- **Received the Delegation from the State of Minnesota to perform building code inspections on State licensed facility projects.**

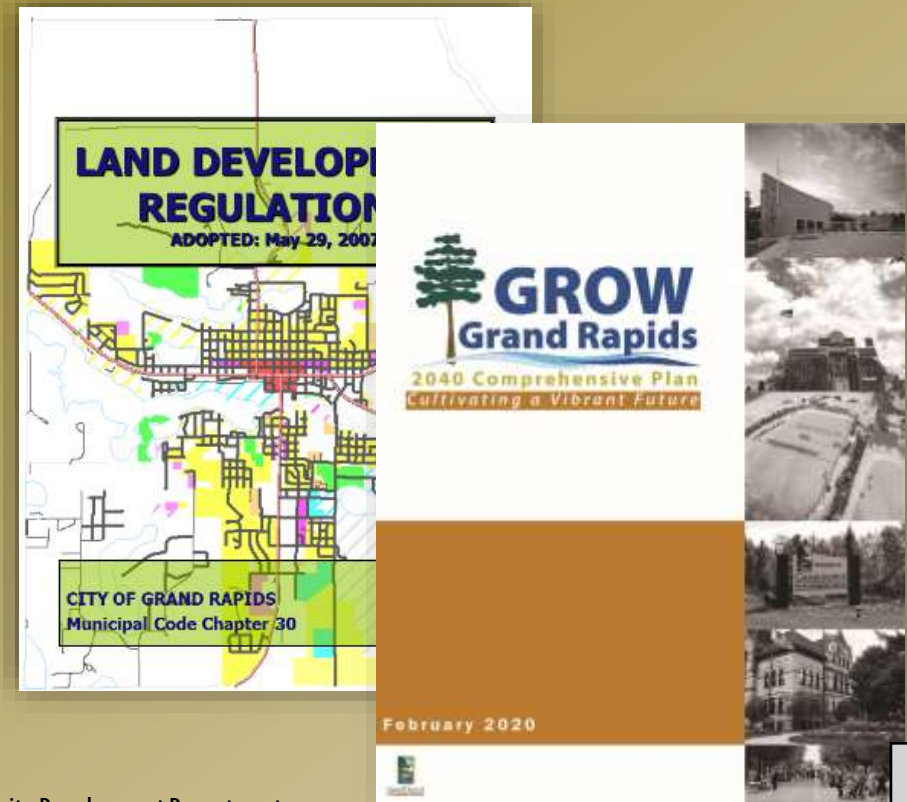


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# Planning Commission Activity

## ❖ 2023 Zoning Requests Addressed by the Planning Commission

- February (Initiated Text Amendment)
- March (Text Amendment Reviewed)
- April (Preliminary Plat and Rezone)
- May (Final Plat)
- July (Two Variances, Rezone)
- September (Two Variances)
- October (Variance, Rezone)







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# Economic Development Activity

## Yanmar Expansion Project

- On June 2, 2023, Yanmar Compact Equipment North America broke ground for their 32,000 s.f. expansion to provide new/upgraded painting capacity
- GREDA/City assistance to this project involved:
  - \$350,000 grant received from MN IRRR for site development.
  - \$450,000 grant from MN DEED, which GREDA used to provide an equipment loan with forgivable terms.
  - GREDA and City coordinated the review and consideration of a Tax Abatement and worked with Itasca County in their consideration of a Tax Abatement to support the project.
- The expansion project is substantially complete, and a certificate of occupancy has been issued.
- In 2023 the project added 49 of the 300+ direct jobs it is estimated to add, in total, over the next four years



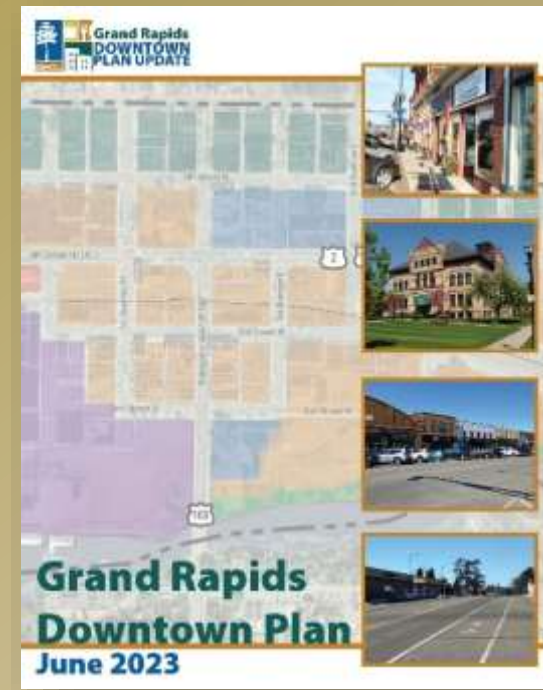


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# Economic Development Activity

## Downtown Plan Projects and Initiatives

- GREDA has begun implementing goals identified by the Downtown Plan, which was completed in June of 2023
- GREDA issued a \$75K loan under the Downtown Entertainment Loan program for Riverfest, which was paid back in full.
- GREDA established a loan program with forgivable terms for upgrades mandated by the State Building Code to older downtown buildings.
- GREDA received grants from the Blandin Foundation and MN IRRR to fund the Downtown Organization Project. GREDA has hired Economic Development Services, Janna King, to lead an advisory group of 20 Downtown stakeholders through the process of structuring a sustainable downtown organization.
- GREDA staff worked with a developer/retailer that is considering the renovation of the former Pluemers Furniture store.
- GREDA staff worked with a developer/restaurantier considering a downtown location.
- GREDA staff worked with the Free-Range Food Co-op in their search for a location for their planned grocery store.





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# Economic Development Activity



## L&M Fleet Supply Distribution Center

- L&M Fleet Supply accepted a proposal from the City and GREDA to provide TIF and Tax Abatement business assistance as well as a land write down on GREDA's sale of a 46-acre site for the development of a new 210,000 square foot, state of the art distribution center for L&M Fleet Supply.
- The L&M Distribution Center Project will retain the 81 FTE positions currently employed in the existing distribution facility in LaPrairie. In addition, the project will create 31 full-time positions within the first two years of operation. Average hourly wage, including benefits \$36.61.
- GREDA closed on the acquisition of private property and simultaneous sale to SE 7th Avenue Distribution (L&M Supply subsidiary) in mid-December.
- Construction is set to begin in May of 2024.



	MN IRRR	MN DEED/GREDA	Equity	Bank	City	Itasca County	Total
Property Acquisition		717,160	78,460	235,390			1,031,010
Site Work Construction			1,189,600	3,568,800			4,758,400
Building Construction			2,632,700	24,856,400	4,251,800	1,401,100	33,142,000
Purchase of M&E	2,500,000	2,000,000		10,452,000			14,952,000
FFE and Software			537,500	1,612,500			2,150,000
<b>Total Project Cost</b>	<b>\$2,500,000</b>	<b>\$2,717,160</b>	<b>\$4,438,260</b>	<b>\$40,725,090</b>	<b>\$4,251,800</b>	<b>\$1,401,100</b>	<b>\$51,033,310</b>



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# Economic Development Activity

## Single Family Housing – Forest Lake Addition

- GREDA developed and recorded a new subdivision entitled Forest Lake Addition, creating 22 single family home lots.
- GREDA discounted and sold 8 lots to Itasca County HRA for their development of owner-occupied single-family affordable homes, structured as a Community Land Trust.
- In 2024, GREDA will consider the sale of 8 more lots to Itasca County HRA. The HRA has already secured additional funds from the MHFA for these additional homes.
- GREDA discounted and sold 2 lots to Itasca County Habitat for Humanity, also for owner-occupied single-family affordable homes.





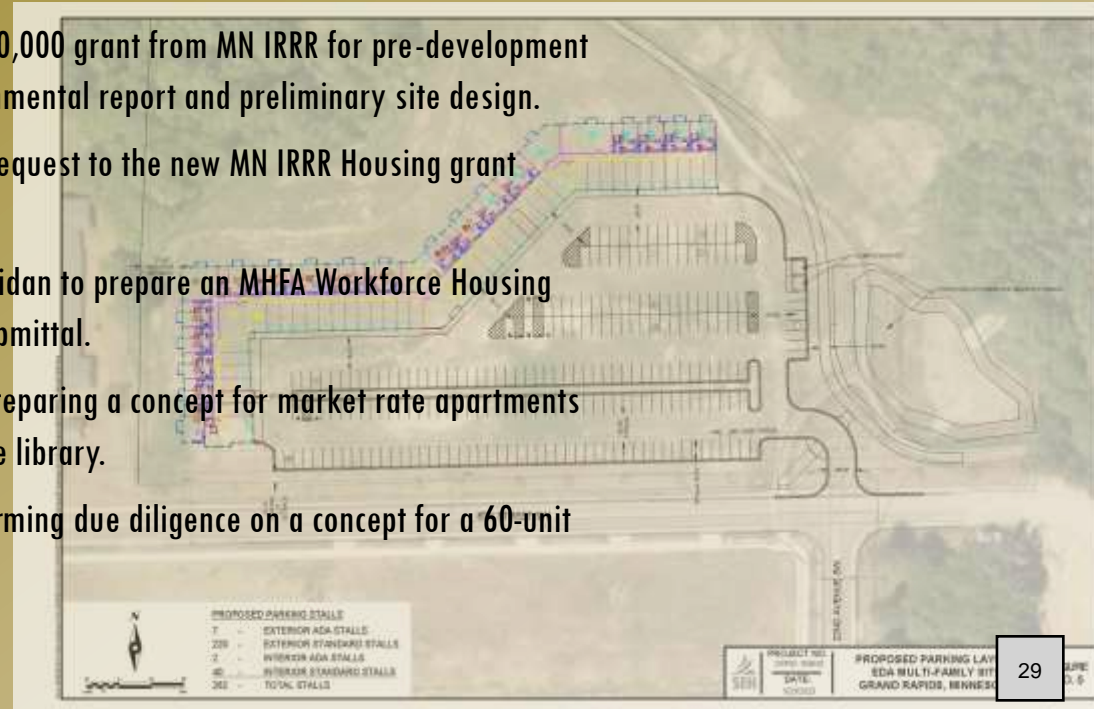
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# Economic Development Activity

## Multi-Family Housing and Manufactured Housing Community Prospects

- GREDA has a preliminary development agreement in place with Oppidan Inc., the developer of the Pillars project. Oppidan is performing due diligence on a proposed 132-unit apartment on a GREDA parcel located north of the West Elementary School in the plat of Great River Acres.
  - On GREDA's behalf, the City received a \$200,000 grant from MN IRRR for pre-development work such as soil borings, phase 1 environmental report and preliminary site design.
  - The City has submitted a \$750,000 grant request to the new MN IRRR Housing grant program.
  - GREDA staff is currently working with Oppidan to prepare an MHFA Workforce Housing grant application for an April 30, 2024, submittal.
- Staff is in early conversations with a developer preparing a concept for market rate apartments on the GREDA Block 20/21 site, located north of the library.
- Staff continues to work with local investors performing due diligence on a concept for a 60-unit housing community on the former WWTP site.





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# Economic Development Activity



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## Grand Rapids/Cohasset Industrial Park Infrastructure Project

- This infrastructure project, to serve the former Ainsworth Industrial Site with sanitary sewer and water, which was funded with contributions from the Federal Economic Development Administration, MN DEED, MN IRRR, GRPUC, GREDA, City of Grand Rapids, City of Cohasset and IEDC, is now complete.
- The project final construction cost came in at \$4,566,590, which was \$131,000 under the original bid contract.
- All sources of funding have been claimed and received in full, except for the final 10% disbursement of funds from the Federal EDA, which is in process.
- This infrastructure has already proven to be an important asset, as it was a required feature of the site for the proposed HWY 35 Cannabis Grow & Manufacturing project.





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# Economic Development Activity

## Redevelopment of the Ainsworth Industrial Site

### HWY 35 Cannabis Grow and Manufacturing Facility

- In July 2023, GREDA and the City responded to an opportunity to support a proposed redevelopment of the former Ainsworth industrial site at 502 Co. Rd. 63. The proposed project involved the purchase of the site by the newly formed Minnesota Company, HWY 35, LLC
- HWY 35 sought support and assistance from MN IRRR, MN DEED, the City and GREDA for the renovation of the vacant industrial building and site for cannabis grow and manufacturing facility.
- The proposed project involves the buildout of 240,000 s.f. of the building in two equally sized phases and will be a \$67MM investment between capital improvements and equipment.
- Each of the two phases of the project is anticipated to add 200 jobs in Grand Rapids, ranging in wages from \$18-\$30/hour, exclusive of benefits.
- Two business loans, with forgivable terms based on reaching employment targets, totaling \$20MM, were approved by MN IRRR and MN DEED in October of 2023.
- HWY 35 closed on their purchase of the property in February of 2024, and has plans to begin their buildout in April of 2024.





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# Questions?