



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

CITY COUNCIL MEETING AGENDA
Monday, April 22, 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 Monday, April 22, 2024 at 5:00 PM in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL:

POSITIVE HAPPENINGS IN THE CITY:

PUBLIC FORUM:

COUNCIL REPORTS:

APPROVAL OF MINUTES:

1. Approve Council minutes for April 8, 2024 Worksession & Regular meetings, April 15, 2024 Special Council meeting and acknowledge summary of April 15, 2024 Closed meeting.

VERIFIED CLAIMS:

2. Approve the verified claims for the period April 2, 2024 to April 15, 2024 in the total amount of \$589,343.54.

ACKNOWLEDGE MINUTES FOR BOARDS AND COMMISSIONS:

3. Review and acknowledge minutes for:
 - ~ March 13, 2024 Library Board meeting
 - ~ February 20, 2024 Golf Board meeting
 - ~ March 19, 2024 Golf Board meeting
 - ~ March 28, 2024 GREDA meeting

CONSENT AGENDA:

4. Consider approving the purchase of one (1) Axon Squad Camera.
5. Consider authorizing the Police Department to sell seven (7) city owned police squads through Mid-State Auto online auction.
6. Consider adopting a resolution approving the updated City-Wide fee schedule for city services
7. Consider approving final payment in the amount of \$6,250.00 for Work Scope 9 on the Civic Center Project

- [8.](#) Consider hiring staff for Public Works for the 2024 Spring/Summer Maintenance Season
- [9.](#) Consider submittal of an MPCA Local Climate Action grant
- [10.](#) Consider approving Memorandum of Understanding (MOU) with the Grand Rapid Public Utilities Commission and the City of Grand Rapids relating to Oracle Cloud Services and Software.
- [11.](#) Consider adopting a resolution approving reimbursement of expenditures for CP 2010-1, 3rd Avenue/7th Street NE Project.
- [12.](#) Consider approval of seasonal contractors at Pokegama Golf Course.
- [13.](#) Consider authorizing the sale of old patio furniture at the Golf Course through the sealed bid process.
- [14.](#) Consider adopting a resolution accepting a Hazardous Materials Emergency Preparedness Grant
- [15.](#) Consider Removal of Appointment to Part-Time Hospital Security Officer Roster
- [16.](#) Consider hiring staff for Pokegama Golf Course for the 2024 Golfing Season and making corrections to hourly wages

SET REGULAR AGENDA:

CIVIC CENTER & PARKS:

- [17.](#) Consider entering into an Agreement with Grand Rapids Amateur Hockey Association authorizing them to install refrigeration in Miner's Pavilion.

COMMUNITY DEVELOPMENT:

- [18.](#) Consider adopting a resolution forgiving a certain loan to Itasca County Farm Service Association
- [19.](#) Consider adopting a resolution authorizing the execution and recording of a quit claim deed to correct a parcel overlap issue and authorize land release approval letter.

FINANCE:

- [20.](#) Consider approving a public sector (master) agreement with Oracle NetSuite for Government for the joint purchase of an ERP cloud-based services and software system and authorize the Mayor to sign necessary agreements.

POLICE:

- [21.](#) Consider adopting a resolution accepting an ongoing Purina dog food donation to GRPD Canine Program.
- [22.](#) Consider adopting a resolution accepting a donation of \$800.00 from Minnesota Power to purchase medical / AED equipment.

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

- [23.](#) Conduct a Public Hearing to consider a request submitted by HWY 35 Properties LLC for tax increment financing business assistance.

COMMUNITY DEVELOPMENT:

- [24.](#) Consider adopting a resolution approving amendment to the tax increment financing (TIF) plan for TIF District 1-15: HWY 35 LLC (Formerly known as TIF District 1-14: Arbor Wood)

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

- [25.](#) Conduct a Public Hearing to consider the preliminary plat of Hawkinson Commercial Development Second Addition.

COMMUNITY DEVELOPMENT:

- [26.](#) Consider adopting a resolution approving the final plat of Hawkinson Commercial Development Second Addition

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

- [27.](#) Conduct a Public Hearing to consider the rezoning of land from AP (Airport District) to I-1 (Industrial Park) for a portion of parcel 91-033-1406 (4.3 acres).

COMMUNITY DEVELOPMENT:

- [28.](#) Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map, by rezoning land from AP (Airport District) to I-1 (Industrial Park) for a portion of parcel 91-033-1406 (4.3 acres)

ADJOURNMENT:

NEXT REGULAR MEETING IS SCHEDULED FOR MAY 13, 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 MEETING MINUTES
Monday, April 08, 2024
5:00 PM

Mayor Connelly called the meeting to order at 5:00 PM.

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

STAFF: Tom Pagel, Chad Sterle, Jeremy Nelson, Bill Saw, Sam Hussman, Matt Wegwerth, Rob Mattei, Tom Beaudry, Andy Morgan, Kevin Ott, Dale Anderson, Chery Pierzina, Travis Cole

PROCLAMATIONS/PRESENTATIONS:

1. Conduct Oath of Office for Police Officer Sam Hussman

Mayor Connelly conducted the Oath of Office for Patrol Officer Sam Hussman.

POSITIVE HAPPENINGS IN THE CITY:

Mayor Connelly noted that much appreciation has been expressed for the passport processing at the Library. Also of note is Legion park, how well it's maintained and that there has been lots of activity with nice weather.

PUBLIC FORUM:

No one from the public was present to speak.

COUNCIL REPORTS:

Councilor Adams provided an overview of recent RAMS board meeting.

Councilor Blake discussed recent visit to the Capital, conversations with legislators and plans for moving forward.

APPROVAL OF MINUTES:

2. Approve minutes for Monday, March 25, 2024 Worksession and Regular meetings.

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

VERIFIED CLAIMS:

3. Approve the verified claims for the period March 19, 2024 to April 1, 2024 in the total amount of \$1,036,554.81.

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

ACKNOWLEDGE MINUTES FOR BOARDS AND COMMISSIONS:

4. Reviewed and acknowledged:
 - ~ January 3, 2024 Civic Center Advisory Board
 - ~ January 16, 2024 Golf Board
 - ~ February 14, 2024 Library Board
 - ~ February 15, 2024 PCA Board
 - ~ February 22, 2024 EDA
 - ~ February 28, 2024 Human Rights Commission
 - ~ March 12, 2024 Arts & Culture Commission
 - ~ March 14, 2024 EDA

CONSENT AGENDA:

5. Consider approving the purchase of a snow blade from ASV
6. Consider approving permanent easements for CP 2010-1
7. Considering authorizing Fire Department staff to apply for a HMEP grant from the Minnesota Department of Public Safety.
8. Consider hiring staff for Public Works for the 2024 Spring/Summer Maintenance Season
9. Consider adoption of a resolution accepting a \$600,000 MN Dept. of IRRR Housing grant for the Workforce Housing Project.

Adopt Resolution 24-29

10. Consider approving pro-rated license fee refund to Hummingbird Wine Bar & Bistro LLC.
11. Consider adopting inventory of records and State of Minnesota General Records Retention Schedule.
12. Consider entering into an agreement with Sophos Payment Resources/SHI.
13. Consider authorizing an Airport Lease Agreement with Airways Aviation Center Inc.
14. Consider approving golf cart storage agreement with 214 Properties, LLC
15. Consider letter of support for HF 4461/SF 4455 to reduce the market demand and reselling of copper wire in our state.

16. Consider accepting the resignation of Bill Schnell from the Grand Rapids Planning Commission
17. Consider approving seasonal golf contractors for Starter Ranger services for 2024.

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

CIVIC CENTER & PARKS:

18. Consider passing a resolution accepting a donation from Marvin Snyder toward the preservation of Veterans Park.

Dale Anderson referenced letter from family regarding appreciation for Veterans Park and donation on behalf of Clayton Bonner.

Motion made by Councilor Adams, Second by Councilor Blake to **adopt Resolution 24-30**, accepting donation for Veteran's Park. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Blake

COMMUNITY DEVELOPMENT:

19. Consider adopting a resolution authorizing an application to the Minnesota Housing Finance Agency Workforce Housing Development Program for the Grand Rapids Workforce Housing Project.

Motion made by Councilor Blake, Second by Councilor Adams to **adopt Resolution 24-31**, authorizing application as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Blake

20. Consider authorizing a Match Letter to the Minnesota Housing Finance Agency (MHFA) describing the local sources supporting the City's Workforce Housing Development grant application.

Motion made by Councilor Adams, Second by Councilor Blake authorizing match letter to MHFA as requested. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Blake

ENGINEERING PUBLIC WORKS:

21. Consider adopting a resolution accepting low bid and entering into an agreement with TNT Construction Group for CP 2010-1, 3rd Avenue NE and 7th Street NE Improvements

Motion made by Councilor Blake, Second by Councilor Adams to **adopt Resolution 24-32**, accepting low bid and entering into agreement with TNT Construction as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Blake

FIRE:

22. Consider adopting a resolution to accept a donation of three Infant CPR Anytime kits from Servpro of Bemidji, Grand Rapids & Hibbing.

Motion made by Councilor Adams, Second by Councilor Blake to **adopt Resolution 24-33**, accepting donation of Anytime Mannequin Kits as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Blake

GOLF:

23. Consider authorizing purchase of range ball machine from Range Servant America in the amount of \$12,248.50

Motion made by Councilor Adams, Second by Councilor Blake to approve purchase of Range Ball Machine from Range Servant America, Inc. Voting Yea: Mayor Connelly, Councilor Adams, Councilor Blake

ADJOURNMENT:

There being no further business, the meeting adjourned at 5:26 PM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF
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CITY COUNCIL WORKSESSION MINUTES

Monday, April 08, 2024

4:30 PM

Mayor Connelly called the meeting to order at 4:30 PM.

PRESENT: Mayor Tasha Connelly, Councilor Dale Adams, Councilor Rick Blake: ABSENT: Councilor Molly MacGregor, Councilor Tom Sutherland
STAFF: Tom Pagel, Chad Sterle, Matt Wegwerth, Rob Mattei

BUSINESS:

1. Review Stormwater Utility Rates

Mr. Wegwerth reviewed current stormwater utility rates for the City of Grand Rapids. Issues addressed included:

- * Equipment needs
- * Budget forecast
- * Catchbasin/Pipe repairs
- * Rates, revenues and expenditures
- * Proposed rate change options

REVIEW OF REGULAR AGENDA:

Upon review, no changes or additions are noted.

There being no further business, the meeting adjourned at 4:48 PM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



CITY OF
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CITY COUNCIL CLOSED MEETING SUMMARY

Monday, April 15, 2024

7:15 AM

Mayor Connelly called the meeting to order at 7:15 AM.

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

STAFF: Tom Pagel, Kimberly Gibeau

BUSINESS:

Mayor Connelly identified the purpose of the meeting and called for a motion to close the meeting.

Motion made by Councilor Adams, Second by Councilor MacGregor to close the meeting. Voting Yea: Mayor Connelly, Councilor Adams, Councilor MacGregor, Councilor Blake

1. Conduct a closed meeting to discuss labor negotiations related to labor agreement as per MN Statute 13D.03, Subd. 1.

City Administrator Pagel provided overview of proposed separation agreement and recommends approval.

Motion made by Councilor Blake, Second by Councilor Adams to close the closed meeting. Voting Yea: Mayor Connelly, Councilor Adams, Councilor MacGregor, Councilor Blake

There being no further business, the meeting adjourned at 7:26 AM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk



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

CITY COUNCIL SPECIAL MEETING MINUTES
Monday, April 15, 2024

Mayor Connelly called the meeting to order at 7:26 AM.

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

STAFF: Tom Pagel, Kimberly Gibeau

BUSINESS:

1. Consider approval of a separation agreement.

Motion made by Councilor Adams, Second by Councilor MacGregor to approve the separation agreement with John Nalan as presented. Voting Yea: Mayor Connelly, Councilor Adams, Councilor MacGregor, Councilor Blake

ADJOURN:

There being no further business, the meeting adjourned at 7:27 AM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk

DATE: 04/18/2024
 TIME: 13:08:48
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 04/22/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
0126725	AZTECA SYSTEMS LLC	4,437.16
1612075	PLAN IT SOFTWARE LLC	532.80
	TOTAL	4,969.96
CITY WIDE		
0126725	AZTECA SYSTEMS LLC	23,745.80
0308180	GARY CHARWOOD	250.00
0715808	GOVCONNECTION INC	680.01
1309495	MINUTEMAN PRESS	18.56
1612075	PLAN IT SOFTWARE LLC	1,067.20
1900225	SEH	150.00
1915248	SHI INTERNATIONAL CORP	230.00
T001486	JAMES D MICHAUD	500.00
	TOTAL CITY WIDE	26,641.57
SPECIAL PROJECTS-NON BUDGETED		
0508450	EHLERS AND ASSOCIATES INC	6,775.00
0718060	GRAND RAPIDS HERALD REVIEW	92.25
	TOTAL SPECIAL PROJECTS-NON BUDGETED	6,867.25
ADMINISTRATION		
1215630	LOREN SOLBERG CONSULTING, LLC	1,989.50
1301020	MADDEN GALANTER HANSEN, LLP	1,062.82
	TOTAL ADMINISTRATION	3,052.32
BUILDING SAFETY DIVISION		
0118100	ARAMARK UNIFORM SERVICES	64.86
0401804	DAVIS OIL INC	194.83
0701650	GARTNER REFRIGERATION CO	2,105.30
0920060	ITASCA COUNTY TREASURER	45.00
1901535	SANDSTROM'S INC	198.05
2018680	TRU NORTH ELECTRIC LLC	2,268.79
	TOTAL BUILDING SAFETY DIVISION	4,876.83
COMMUNITY DEVELOPMENT		
0401804	DAVIS OIL INC	139.30

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CITY OF GRAND RAPIDS
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INVOICES DUE ON/BEFORE 04/22/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
COMMUNITY DEVELOPMENT		
0718060	GRAND RAPIDS HERALD REVIEW	65.17
1900225	SEH	2,993.75
	TOTAL COMMUNITY DEVELOPMENT	3,198.22
COUNCIL/COMMISSION/BOARDS		
2018680	TRU NORTH ELECTRIC LLC	11,500.00
	TOTAL COUNCIL/COMMISSION/BOARDS	11,500.00
FINANCE		
1805195	REDPATH AND COMPANY, LLC	36,281.58
	TOTAL FINANCE	36,281.58
FIRE		
0118100	ARAMARK UNIFORM SERVICES	43.65
0118661	ARROWHEAD REGIONAL FIRE FIGHTR	75.00
0301685	CARQUEST AUTO PARTS	418.84
0401804	DAVIS OIL INC	238.71
0513231	EMERGENCY APPARATUS	2,743.06
0601346	FAIRVIEW HEALTH SERVICES	680.00
0920060	ITASCA COUNTY TREASURER	45.00
1110125	KJ BRANDING	117.00
1200500	L&M SUPPLY	13.37
1301014	MACQUEEN EMERGENCY GROUP	594.57
1415030	NAPA SUPPLY OF GRAND RAPIDS	281.97
1415484	NORTHERN LIGHTS TRUCK	184.07
	TOTAL FIRE	5,435.24
PUBLIC WORKS		
0205090	BEACON ATHLETICS LLC	1,367.20
0221650	BURGGRAF'S ACE HARDWARE	197.94
0301685	CARQUEST AUTO PARTS	43.12
0315455	COLE HARDWARE INC	119.38
0401420	DAKOTA FLUID POWER, INC	57.76
0401804	DAVIS OIL INC	2,732.52
0513233	EMERGENCY AUTOMOTIVE TECH INC	586.96
0601690	FASTENAL COMPANY	902.16
0800040	H & L MESABI	968.00
0920060	ITASCA COUNTY TREASURER	266.80

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CITY OF GRAND RAPIDS
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INVOICES DUE ON/BEFORE 04/22/2024

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
PUBLIC WORKS		
0920061	ITASCA COUNTY TREASURER	75.80
1415030	NAPA SUPPLY OF GRAND RAPIDS	125.58
1415484	NORTHERN LIGHTS TRUCK	966.12
2018560	TROUT ENTERPRISES INC	1,553.00
2021646	TURFWERKS	251.69
2501525	YANMAR COMPACT EQUIPMENT NORTH	444.46
	TOTAL PUBLIC WORKS	10,658.49
FLEET MAINTENANCE		
0301685	CARQUEST AUTO PARTS	36.73
0401804	DAVIS OIL INC	111.43
0601690	FASTENAL COMPANY	350.93
1301720	MATCO TOOLS	45.05
	TOTAL FLEET MAINTENANCE	544.14
POLICE		
0601346	FAIRVIEW HEALTH SERVICES	1,360.00
0920060	ITASCA COUNTY TREASURER	38.89
1105445	DR MICHAEL KELLER, PHD	650.00
1920233	STREICHER'S INC	430.92
	TOTAL POLICE	2,479.81
RECREATION		
0118100	ARAMARK UNIFORM SERVICES	62.95
0221650	BURGGRAF'S ACE HARDWARE	385.78
	TOTAL RECREATION	448.73
CENTRAL SCHOOL		
0118100	ARAMARK UNIFORM SERVICES	64.09
0221650	BURGGRAF'S ACE HARDWARE	17.98
0920060	ITASCA COUNTY TREASURER	45.00
2018680	TRU NORTH ELECTRIC LLC	6,601.24
	TOTAL	6,728.31
AIRPORT		

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CITY OF GRAND RAPIDS
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INVOICES DUE ON/BEFORE 04/22/2024

VENDOR #	NAME	AMOUNT DUE

AIRPORT		
0221650	BURGGRAF'S ACE HARDWARE	83.98
0401804	DAVIS OIL INC	186.00
0504825	EDWARDS OIL INC	1,309.84
0920060	ITASCA COUNTY TREASURER	180.00
1805195	REDPATH AND COMPANY, LLC	55.00
T001502	MIDWEST FLYER MAGAZINE	186.00
	TOTAL	2,000.82
CIVIC CENTER		
GENERAL ADMINISTRATION		
0221650	BURGGRAF'S ACE HARDWARE	250.48
0315455	COLE HARDWARE INC	284.96
0601690	FASTENAL COMPANY	304.96
0920060	ITASCA COUNTY TREASURER	45.00
1801613	RAPIDS PRINTING	85.00
1911545	SKOGLUND ELECTRIC LLC	264.92
	TOTAL GENERAL ADMINISTRATION	1,235.32
STATE HAZ-MAT RESPONSE TEAM		
1805195	REDPATH AND COMPANY, LLC	39.00
	TOTAL	39.00
CEMETERY		
0205725	BETZ EXTINGUISHER COMPANY	56.00
0221650	BURGGRAF'S ACE HARDWARE	29.98
1200500	L&M SUPPLY	21.99
	TOTAL	107.97
DOMESTIC ANIMAL CONTROL FAC		
0118100	ARAMARK UNIFORM SERVICES	30.00
0920060	ITASCA COUNTY TREASURER	45.00
	TOTAL	75.00

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CITY OF GRAND RAPIDS
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INVOICES DUE ON/BEFORE 04/22/2024

VENDOR #	NAME	AMOUNT DUE

TIF 1-12 PILLARS/KTJ338, LLC		
0508450	EHLERS AND ASSOCIATES INC	142.50
TOTAL		142.50
GR/COHASSET IND PK INFRAST		
1805195	REDPATH AND COMPANY, LLC	2,026.00
TOTAL		2,026.00
PARK ACQUISITION & DEVELOPMENT		
PARK IMPROVEMENTS		
1618570	PRO-MAX MACHINE, LLC	850.00
1801232	RADKO IRON & SUPPLY INC	6,000.00
TOTAL PARK IMPROVEMENTS		6,850.00
CAPITAL EQPT REPLACEMENT FUND		
CAPITAL OUTLAY-PUBLIC WORKS		
1015210	JOES GARAGE ON 169	987.45
1315730	MOTOROLA INC	15,166.80
TOTAL CAPITAL OUTLAY-PUBLIC WORKS		16,154.25
CAPITAL OUTLAY-POLICE		
0421480	DTM FLEET SERVICE LLC	4,039.79
TOTAL CAPITAL OUTLAY-POLICE		4,039.79
AIRPORT CAPITAL IMPRV PROJECTS		
AP 2023-1 N BLDG TAXILANE REHB		
1805195	REDPATH AND COMPANY, LLC	333.00
TOTAL AP 2023-1 N BLDG TAXILANE REHB		333.00
CIVIC CENTER CAPITAL IMP PJT		
IRA CIVIC CENTER RENOVATION		
1201683	LARSON ELEVATOR COMPANY	6,250.00
1801610	RAPIDS PLUMBING & HEATING INC	6,924.07
TOTAL IRA CIVIC CENTER RENOVATION		13,174.07

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CITY OF GRAND RAPIDS
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INVOICES DUE ON/BEFORE 04/22/2024

VENDOR #	NAME	AMOUNT DUE

2022	INFRASTRUCTURE/ARPA	
	FOREST LK UTILITY EXTENSIONS	
1805195	REDPATH AND COMPANY, LLC	970.00
	TOTAL FOREST LK UTILITY EXTENSIONS	970.00
2024	INFRASTRUCTURE BONDS	
	CP2010-1 3RD AVE NE RECON	
1900225	SEH	53,420.80
	TOTAL CP2010-1 3RD AVE NE RECON	53,420.80
PIR-PERMANENT IMPRV	REVOLV FND	
	HWY 169 S STREET LIGHTING	
1000080	J T SERVICES	2,460.00
	TOTAL HWY 169 S STREET LIGHTING	2,460.00
STORM WATER UTILITY		
0315455	COLE HARDWARE INC	37.17
0401804	DAVIS OIL INC	331.94
1621125	PUBLIC UTILITIES COMMISSION	2,200.00
2018560	TROUT ENTERPRISES INC	520.00
	TOTAL	3,089.11
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$229,800.08
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0100053	AT&T MOBILITY	4,327.55
0104095	DALE ADAMS	79.06
0113105	AMAZON CAPITAL SERVICES	876.55
0201354	B. BAIRD-PETTY CASH FUND	3.50
0201450	BALLISTIC DEFENSE, LLC	450.00
0212126	RICK BLAKE	411.51
0305530	CENTURYLINK QC	259.00
0315515	COMPUTERSHARE TRUST CO, NA	1,050.00
0514730	ENTERPRISE FM TRUST	22,121.19
0605191	FIDELITY SECURITY LIFE	99.64
0718015	GRAND RAPIDS CITY PAYROLL	289,686.74
0718070	GRAND RAPIDS STATE BANK	130.00
0920055	ITASCA COUNTY RECORDER	46.00
1201402	LAKE COUNTRY POWER	52.67
1215250	LOFFLER COMPANIES INC	763.17

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CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 04/22/2024

VENDOR #	NAME	AMOUNT DUE

CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1301145	MARCO TECHNOLOGIES, LLC	406.81
1305046	MEDIACOM LLC	156.90
1309098	MINNESOTA MN IT SERVICES	460.71
1309199	MINNESOTA ENERGY RESOURCES	21.58
1309266	MN DEPT OF LABOR & INDUSTRY	100.00
1315650	ANDY MORGAN	34.15
1601305	THOMAS J. PAGEL	155.15
1901325	ST CLOUD STATE UNIVERSITY	590.00
1903555	ERIK SCOTT	110.55
2209665	VISA	5,912.45
2209705	VISIT GRAND RAPIDS INC	27,987.01
2301700	WM CORPORATE SERVICES, INC	2,564.07
T001511	HUMMINGBIRD WINE BAR	687.50
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$359,543.46
TOTAL ALL DEPARTMENTS		\$589,343.54



CITY OF
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IT'S IN MINNESOTA'S NATURE

**POKEGAMA GOLF COURSE BOARD
MEETING MINUTES**

**Tuesday, February 20, 2024
7:30 AM**

Meeting was called to order.

ROLL CALL:

PRESENT: Member John Bauer, Member John Ryan, Member Tom Lagergren, Member Roger Mischke. **ABSENT:** Member Rick McDonald.

STAFF: Bob Cahill, Tom Beaudry

PUBLIC INPUT:

No one from the public wished to speak.

SETTING THE AGENDA: (This is an opportunity to approve the regular agenda as presented or add/delete an Agenda item by a majority vote of the Board members present.)

Motion made by Member Mischke, Seconded by Member Bauer to approve the agenda as presented. Voting Yea: Member Bauer, Member Ryan, Member Lagergren, Member Mischke

APPROVE MINUTES:

1. Approve minutes for January 16, 2024 Golf Board meeting.

Motion made by Member Mischke, Seconded by Member Bauer to approve Golf Board minutes for January 16, 2024 as presented. Voting Yea: Member Bauer, Member Ryan, Member Lagergren, Member Mischke

CLAIMS AND FINANCIAL STATEMENTS:

2. Review and approve claims.

Motion made by Member Lagergren, Seconded by Member Bauer to approve the claims and financials as presented. Voting Yea: Member Bauer, Member Ryan, Member Lagergren, Member Mischke

VISITORS:

Stewart Bastian, owner/operator for Pokegama Grill, asked for the renewal of the concessionaire contract to be expedited.

Motion made by Member Mischke, Seconded by Member Lagergren to recommend to City Council. Voting Yea: Member Bauer, Member Ryan, Member Lagergren, Member Mischke

BUSINESS:

3. Review 2024 CIP

Conducted review of 2024 CIP.

4. Consider title change for Golf Course position.

Motion made by Member Lagergren, Seconded by Member Ryan to recommend change to position title to City Council. Voting Yea: Member Bauer, Member Ryan, Member Lagergren, Member Mischke

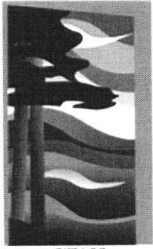
CORRESPONDENCE:

No correspondence was received.

Motion made by Member Bauer, Seconded by Member Mischke to adjourn the meeting. Voting Yea: Member Bauer, Member Ryan, Member Lagergren, Member Mischke

Respectfully submitted:

Tom Beaudry, Director of Golf



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

GRAND RAPIDS AREA LIBRARY BOARD MEETING MINUTES

Wednesday, March 13, 2024

5:00 PM

CALL TO ORDER:

Chair Martin called the meeting to order at 5:00 PM.

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Area Library Board will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Wednesday, March 13, 2024 at 5:00 PM.

CALL OF ROLL:

Present: Barr, Casteel, Dobbs, Kee, Martin, Richards, Squadroni

Absent: Blocker, Teigland

APPROVAL OF AGENDA:

Motion to: approve agenda as presented

Mover: Richards

Seconder: Dobbs

Result: Passed unanimously

PUBLIC COMMENT (if anyone wishes to address the Board):

None.

APPROVAL OF MINUTES:

1. Consider a motion to approve meeting minutes from the February 14, 2024 Library Board Meeting.

Motion to: approve Minutes from the 02-14-2024 Library Board meeting.

Mover: Dobbs

Seconder: Casteel

Result: Passed unanimously

COMMUNICATIONS:

None.

FINANCIAL REPORT & CLAIMS (Roll Call Vote Required):

2. Review financial reports and consider payment of Bill List as presented.

Motion to: approve payment of Bill List as presented.

Mover: Kee

Seconder: Richards

Result: Passed 7-0 (roll-call)

CONSENT AGENDA (Roll Call Vote Required):

3. Consider a motion accepting donations as listed.

Motion to: accept donations as listed.

Mover: Dobbs

Seconder: Kee

Result: Passed 7-0 (roll-call)

REGULAR AGENDA:

4. Review 2023 Annual Report and consider a motion approving the report and authorizing the Board Chair and Library Director to sign the approval form.

Motion to: approve 2023 Annual Report and authorize the Board Chair and Library Director to sign the approval form.

Mover: Kee

Seconder: Richards

Result: Passed 7-0 (roll-call)

5. Review MLA Legislative Committee correspondence regarding HF 4373.

Informational

UPDATES:

Library Friends and Library Foundation

Foundation update by Barr – next meeting April 18.

STAFF REPORTS:

6. Review February Statistics

The Library Director updated the Board on the Passport Services inspection on February 29, Presidential Primary held March 5, and Library related legislation.

ADJOURNMENT:

Chair Martin adjourned the meeting at 5:40 PM.

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

ATTEST: Will Richter, Director of Library Services

DATE: 03/06/2024
 TIME: 14:56:25
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/13/2024

VENDOR #	NAME	AMOUNT DUE

PUBLIC LIBRARY		
0118100	ARAMARK UNIFORM SERVICES	143.01
0118660	ARROWHEAD LIBRARY SYSTEM	27.30
0201428	BAKER & TAYLOR LLC	2,402.20
0212124	BLACKSTONE PUBLISHING	94.00
0221650	BURGGRAF'S ACE HARDWARE	304.75
0718010	CITY OF GRAND RAPIDS	29,697.34
1309055	MIDWEST TAPE LLC	147.94
1901535	SANDSTROM'S INC	234.36
2018228	TREETOP PRODUCTS INC	2,905.38
2018680	TRU NORTH ELECTRIC LLC	1,787.75
2114356	UNIQUE MANAGEMENT SERVICES	221.35
2209421	VIKING ELECTRIC SUPPLY INC	2,896.90
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$40,862.28
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0100053	AT&T MOBILITY	54.48
0113105	AMAZON CAPITAL SERVICES	390.86
0205640	LEAGUE OF MN CITIES INS TRUST	2,412.67
0605191	FIDELITY SECURITY LIFE	6.90
0718015	GRAND RAPIDS CITY PAYROLL	50,462.16
1209520	EMILY LINDNER	150.00
1301146	MARCO TECHNOLOGIES, LLC	119.08
1305725	METROPOLITAN LIFE INSURANCE CO	76.14
1309199	MINNESOTA ENERGY RESOURCES	505.24
1309335	MINNESOTA REVENUE	99.36
1516220	OPERATING ENGINEERS LOCAL #49	10,092.00
1601750	PAUL BUNYAN COMMUNICATIONS	323.02
1618119	ISABELLA A PRATTO	50.00
1618120	MADELYN R PRATTO	50.00
1621130	P.U.C.	2,204.22
2209665	VISA	850.54
2301700	WM CORPORATE SERVICES, INC	145.86
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$67,992.53
TOTAL ALL DEPARTMENTS		\$108,854.81

RESOLUTION NO. 2024-3
A RESOLUTION ACCEPTING DONATIONS

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes, and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by a two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, that the Library Board of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donations and terms of the donors as follows:

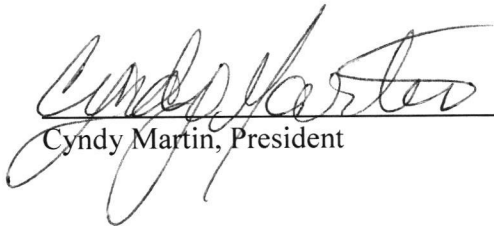
Grand Rapids Area Library Foundation - \$1,317.99

- \$34.77 Discovery Kit Supplies**
- \$275.30 Children's Program Supplies**
- \$989.33 Large Print project**
- \$17.99 DVDs**

Lyman Loveland - \$4,500.00

- \$3,000.00 Juvenile non-fiction collection enhancement**
- \$1,500.00 Large print collection enhancement**

Adopted this 13th day of March 2024



Cyndy Martin, President



Deb Kee, Secretary



2023 Minnesota Public Library Annual Report Approval Form

Minnesota Statutes 134.13 requires the board of a public library to submit an annual report to the Minnesota Department of Education no later than April 1 each year.

Please print the name of the library submitting this form below.

Grand Rapids Area Library

Name of Library

I certify that I have read the library's annual report and approve its submission to the Minnesota Department of Education, State Library Services.

Cyndy Martin 3/13/24
Signature and Date of Library Board President/City or County Representative

Cyndy Martin

Printed Name of Library Board President/City or County Representative

Will Richter 3/13/24
Signature and Date of Library Director

Will Richter

Printed Name of Library Director

Please return this signed form by mail, email, or fax to:

State Library Services
Minnesota Department of Education
400 NE Stinson Blvd
Minneapolis, MN 55413

Email: verena.getahun@state.mn.us
Fax: 651-582-8752



Minnesota's public library annual report is made possible, in part, by funding from the Minnesota Department of Education through a Library Services and Technology Act (LSTA) grant from the Institute of Museum and Library Services.



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

**POKEGAMA GOLF COURSE BOARD
 MEETING MINUTES**

**Tuesday, March 19, 2024
 7:30 AM**

Meeting was called to order.

PRESENT: Member Rick McDonald, Member John Bauer, Member John Ryan, Member Tom Lagergren. ABSENT: Member Roger Mischke.
 STAFF: Bob Cahill, Tom Beaudry, Steve Ross

PUBLIC INPUT:

No one from the public wished to speak.

SETTING THE AGENDA: (This is an opportunity to approve the regular agenda as presented or add/delete an Agenda item by a majority vote of the Board members present.)

Motion made by Member McDonald, Seconded by Member Ryan to approve the agenda as presented.
 Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren

CLAIMS AND FINANCIAL STATEMENTS:

1. Review and approve verified claims.

A review of the financials took place.

Motion made by Member Ryan, Seconded by Member Lagergren to approve the claims as presented. Voting Yea: Member McDonald, Member Bauer, Member Ryan, Member Lagergren

REPORTS:

Bob Cahill reported the course opened for a couple of days when it was unseasonably warm and it created a lot of interest in the purchase of season passes.

Steve Ross reported on how he and Cody Alleman are working on equipment and chatted about getting carts out of storage and selling the old ones. Bob reported the electrician that was hired to install additional charges for the expanded fleet. Recommends researching a more viable solution other than cars parked both horizontally and vertically. The idea of a new storage building was brought up and possibly adding something in the location of the old first tee. the thought would be to charge events to rent the space vs. renting tents and then the seasonal money paid to store over the winter would be

saved. Steve wanted to see where the purchase of a utility vehicle was. Bob mentioned we need to get the City Council to approve the purchase. Cody Alleman is ready to work year round and how his is excited to help train him during the offseason. Steve will eliminate a seasonal hourly employee next year to make up for his remaining on payroll. He also congratulated Bob on his last meeting.

Members discussed cleaning hold number four up and asked for help to finish it. Tree trimming also came up and Steve Ross will work with the contractor to get the needed trimming done.

Bob thanked everyone for 35 years of support.

Tom Beaudry discussed newsletter that was sent and areas the team is focusing on. Beaudry also mentioned putting together a job description for a 10 week marketing assistant position that will help grow guest traffic.

CORRESPONDENCE:

No correspondence received.

Motion made by Member Ryan, Seconded by Member Lagergren to adjourn the meeting.
Voting Yea: Member McDonald, Member Bauer, Member Ryan

Respectfully submitted:

Tom Beaudry, Director of Golf



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, March 28, 2024
4:00 PM

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, March 28, 2024 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik
President Sholom Blake
Commissioner Bill Martinetto
Commissioner Molly MacGregor
Commissioner Malissa Bahr

ABSENT

Commissioner Wayne Bruns
Commissioner Tom Sutherland

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 .*

Approved without addition.

APPROVE MINUTES

1. Consider approving minutes from the March, 14 2024 Regular Meeting

Motion by Commissioner Hodnik, second by Commissioner Martinetto to approve the minutes from the March 14, 2024 regular meeting. The following voted in favor thereof: MacGregor, Bahr, Blake, Martinetto, Hodnik. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$2,226.73

Motion by Commissioner Martinetto, second by Commissioner MacGregor to approve the claims in the amount of \$2,226.73. The following voted in favor thereof: MacGregor, Bahr, Blake, Martinetto, Hodnik. Opposed: None, motion passed unanimously.

BUSINESS

3. Consider adopting a resolution approving the First Amendment to the Preliminary Development Agreement with Oppidan Incorporated.

Assistant Community Development Director Dan Swenson discussed meeting MHFA requirements and the March 26th approval of the IRRRB grant which extends agreement 180 days.

Motion by Commissioner Hodnik, second by Commissioner Martinetto to approve adopting a resolution approving the First Amendment to the Preliminary Development. The following voted in favor thereof: MacGregor, Bahr, Blake, Martinetto, Hodnik. Opposed: None, motion passed unanimously.

4. Consider adopting a resolution approving purchase agreements with the City and SE 7th Ave. Distribution LLC related to the L&M Supply Distribution Center Project

Assistant Community Development Director Dan Swenson gave background on the land and discussed agreement with the county and the FAA regarding a clear title.

Motion by Commissioner Martinetto, second by Commissioner Bahr to approve adopting a resolution approving the First Amendment to the Preliminary Development. The following voted in favor thereof: MacGregor, Bahr, Blake, Martinetto, Hodnik. Opposed: None, motion passed unanimously.

UPDATES

Busy summer with projects planned.

IRRRB getting active with housing across the Range.

ADJOURN

There being no further business, the meeting adjourned at 4:06 p.m.

MEMBERS & TERMS

Tom Sutherland - 12/31/2024 Council Representative

Molly MacGregor - 12/31/2024 Council Representative

Malissa Bahr - 3/1/30

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/27



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider approving the purchase of one (1) Axon Squad Camera.

PREPARED BY: Captain Jeremy Nelson

BACKGROUND:

Starting in 2021, The Grand Rapids Police Department approached and received approval from the Grand Rapids City Council to purchase and implement AXON Body Worn Cameras (BWC's), Tasers, and Squad Camera's. The first BWC's were implemented in early 2022 and the Squad Cameras were installed in the spring of 2023. These items are all on a multi-year rotation/payment plan through Axon which allows us to get new replacement BWC's, Squad Camera's, and Taser's every 5 years.

In December of 2023, police staff again approached the council to outfit the rest of GRPD licensed staff and the Community Service Officer with BWC's, Tasers, and to add an additional squad camera. All our patrol officer squad cars are equipped with Squad Cameras. These additions are able to be placed on the same rotation schedule as the initial purchase.

The primary intentions of BWCs and Squad Cameras are to enhance evidence collection, promote police transparency and assist in complaint resolution. The Grand Rapids Police Department's use of this standard police equipment has had an astounding influence on each of the above noted intentions. Our overall police service has improved with such technology.

At the March 25, 2023, Council Meeting, it was approved to accept a Grant from the Office of Traffic Safety to be used towards the purchase of and equipping of a traffic safety vehicle. Part of the equipment needed for the vehicle is a Squad Camera, and it is included in the funding from the grant and matching portion.

The attached quote/agreement from Axon has been received for adding an additional squad camera to our existing rotation, for a total cost, over three years, of \$10,985.49.

REQUESTED COUNCIL ACTION:

Make a motion accepting the purchase of one (1) Axon Squad Camera and authorize the Mayor to sign the attached agreement.



Axon Enterprise, Inc.
 17800 N 85th St.
 Scottsdale, Arizona 85255
 United States
 VAT: 86-0741227
 Domestic: (800) 978-2737
 International: +1.800.978.2737

Q-564626-4539 Item 4.

Issued: 04/08/2024

➔ Quote Expiration: 06/28/2024

Estimated Contract Start Date: 09/01/2024

Account Number: 193090
 Payment Terms: N30
 Delivery Method:

SHIP TO	BILL TO
Grand Rapids Police Dept. - MN 420 N Pokegama Ave Grand Rapids, MN 55744-2658 USA	Grand Rapids Police Dept. - MN 420 N Pokegama Ave Grand Rapids MN 55744-2658 USA Email:

SALES REPRESENTATIVE	PRIMARY CONTACT
Lily Dokic Phone: Email: lyost@axon.com Fax:	Jeremy Nelson Phone: 218-910-8427 Email: jnelson@grandrapidsmn.gov Fax:

Quote Summary

Program Length	33 Months
TOTAL COST	\$10,985.49
ESTIMATED TOTAL W/ TAX	\$10,985.49

Discount Summary

Average Savings Per Year	\$2,211.76
TOTAL SAVINGS	\$6,082.35

Payment Summary

Date	Subtotal	Tax	Total
Aug 2024	\$3,038.54	\$0.00	\$3,038.54
May 2025	\$3,895.56	\$0.00	\$3,895.56
May 2026	\$4,051.39	\$0.00	\$4,051.39
Total	\$10,985.49	\$0.00	\$10,985.49

Quote Unbundled Price:
 Quote List Price:
 Quote Subtotal:

\$17, Item 4.
 \$12,449.49
 \$10,985.49

Pricing

All deliverables are detailed in Delivery Schedules section lower in proposal

Item	Description	Qty	Term	Unbundled	List Price	Net Price	Subtotal	Tax	Total
Program									
80462	TRUE UP - FLEET 3 ADVANCED WITH TAP	1	27		\$108.00	\$108.00	\$2,916.00	\$0.00	\$2,916.00
Fleet3A	Fleet 3 Advanced	1	33	\$384.48	\$244.53	\$244.53	\$8,069.49	\$0.00	\$8,069.49
A la Carte Hardware									
100989	AXON FLEET - CRADLEPOINT R920-C7A+5YR NETCLOUD	1			\$1,449.00	\$0.00	\$0.00	\$0.00	\$0.00
A la Carte Services									
100738	AXON FLEET 3 - SIM INSERTION - VZW 4FF	1			\$15.00	\$0.00	\$0.00	\$0.00	\$0.00
Total							\$10,985.49	\$0.00	\$10,985.49

Delivery Schedule

Hardware

Bundle	Item	Description	QTY	Shipping Location	Estimated Delivery Date
Fleet 3 Advanced	70112	AXON SIGNAL - SIGNAL UNIT	1	1	08/01/2024
Fleet 3 Advanced	71200	AXON FLEET - AIRGAIN ANT - 5-IN-1 2LTE 2WIFI 1GNSS BL	1	1	08/01/2024
Fleet 3 Advanced	72036	AXON FLEET 3 - STANDARD 2 CAMERA KIT	1	1	08/01/2024
A la Carte	100989	AXON FLEET - CRADLEPOINT R920-C7A+5YR NETCLOUD	1	1	08/01/2024
Fleet 3 Advanced	72040	AXON FLEET - TAP REFRESH 1 - 2 CAMERA KIT	1	1	04/30/2027

Software

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Fleet 3 Advanced	80400	AXON EVIDENCE - FLEET VEHICLE LICENSE	1	09/01/2024	05/31/2027
Fleet 3 Advanced	80401	AXON FLEET 3 - ALPR LICENSE - 1 CAMERA	1	09/01/2024	05/31/2027
Fleet 3 Advanced	80402	AXON RESPOND - LICENSE - FLEET 3	1	09/01/2024	05/31/2027
Fleet 3 Advanced	80410	AXON EVIDENCE - STORAGE - FLEET 1 CAMERA UNLIMITED	2	09/01/2024	05/31/2027

Services

Bundle	Item	Description	QTY
Fleet 3 Advanced	73391	AXON FLEET 3 - DEPLOYMENT (PER VEHICLE)	1
A la Carte	100738	AXON FLEET 3 - SIM INSERTION - VZW 4FF	1

Warranties

Bundle	Item	Description	QTY	Estimated Start Date	Estimated End Date
Fleet 3 Advanced	80379	AXON SIGNAL - EXT WARRANTY - SIGNAL UNIT	1	08/01/2025	05/31/2027
Fleet 3 Advanced	80495	AXON FLEET 3 - EXT WARRANTY - 2 CAMERA KIT	1	08/01/2025	05/31/2027

Shipping Locations

Item 4.

Location Number	Street	City	State	Zip	Country
1	420 N Pokegama Ave	Grand Rapids	MN	55744-2658	USA

Payment Details

Aug 2024

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 1	100738	AXON FLEET 3 - SIM INSERTION - VZW 4FF	1	\$0.00	\$0.00	\$0.00
Year 1	100989	AXON FLEET - CRADLEPOINT R920-C7A+5YR NETCLOUD	1	\$0.00	\$0.00	\$0.00
Year 1	80462	TRUE UP - FLEET 3 ADVANCED WITH TAP	1	\$806.56	\$0.00	\$806.56
Year 1	Fleet3A	Fleet 3 Advanced	1	\$2,231.98	\$0.00	\$2,231.98
Total				\$3,038.54	\$0.00	\$3,038.54

May 2025

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 2	100738	AXON FLEET 3 - SIM INSERTION - VZW 4FF	1	\$0.00	\$0.00	\$0.00
Year 2	100989	AXON FLEET - CRADLEPOINT R920-C7A+5YR NETCLOUD	1	\$0.00	\$0.00	\$0.00
Year 2	80462	TRUE UP - FLEET 3 ADVANCED WITH TAP	1	\$1,034.05	\$0.00	\$1,034.05
Year 2	Fleet3A	Fleet 3 Advanced	1	\$2,861.51	\$0.00	\$2,861.51
Total				\$3,895.56	\$0.00	\$3,895.56

May 2026

Invoice Plan	Item	Description	Qty	Subtotal	Tax	Total
Year 3	100738	AXON FLEET 3 - SIM INSERTION - VZW 4FF	1	\$0.00	\$0.00	\$0.00
Year 3	100989	AXON FLEET - CRADLEPOINT R920-C7A+5YR NETCLOUD	1	\$0.00	\$0.00	\$0.00
Year 3	80462	TRUE UP - FLEET 3 ADVANCED WITH TAP	1	\$1,075.42	\$0.00	\$1,075.42
Year 3	Fleet3A	Fleet 3 Advanced	1	\$2,975.97	\$0.00	\$2,975.97
Total				\$4,051.39	\$0.00	\$4,051.39

Tax is estimated based on rates applicable at date of quote and subject to change at time of invoicing. If a tax exemption certificate should be applied, please submit prior to invoicing.

Standard Terms and Conditions

Axon Enterprise Inc. Sales Terms and Conditions

Axon Master Services and Purchasing Agreement:

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. In the event you and Axon have entered into a prior agreement to govern all future purchases, that agreement shall govern to the extent it includes the products and services being purchased and does not conflict with the Axon Customer Experience Improvement Program Appendix as described below.

ACEIP:

The Axon Customer Experience Improvement Program Appendix, which includes the sharing of de-identified segments of Agency Content with Axon to develop new products and improve your product experience (posted at www.axon.com/legal/sales-terms-and-conditions), is incorporated herein by reference. By signing below, you agree to the terms of the Axon Customer Experience Improvement Program.

Acceptance of Terms:

Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature

Date Signed

4/8/2024





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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider authorizing the Police Department to sell seven (7) city owned police squads through Mid-State Auto online auction.

PREPARED BY: Chief Andy Morgan

BACKGROUND:

The Police Department has used the Minnesota DNR or Mid State Auto online action in the past to dispose of city owned, forfeited and abandoned vehicles. The auctions are continuously running and many government agencies are observed to frequently add assets in attempts to sell such. The following vehicle is a GRPD asset. It was previously utilized as a patrol squad but was replaced.

Squad	Year	Make	VIN	Model
-------	------	------	-----	-------

304	2013	Chevy	1GNSK2E08DR301860	Tahoe
1501	2015	Chevy	1GNSK3EC0FR279419	Tahoe
1701	2017	Ford	1FM5K8AR9HGC25012	SUV
1702	2017	Ford	1FM5K8AR0HGC25013	SUV
1703	2017	Ford	1FM5K8AR2HGC25014	SUV
1801	2018	Ford	1FM5K8AR7JGB19342	SUV
1802	2018	Ford	1FAHP2MK8JG141211	Sedan

REQUESTED COUNCIL ACTION:

Make a motion authorizing the Police Department to sell seven (7) city owned police squad through Mid-State Auto online auction.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22nd, 2024

AGENDA ITEM: Consider adopting a resolution approving the updated City-Wide fee schedule for city services

PREPARED BY: Matt Wegwerth

BACKGROUND:

The City of Grand Rapids periodically reviews fee schedules and updates as necessary. City staff has completed this review and adjusted fees listed for City Wide. The updated fee schedule is attached as Exhibit A to the resolution. Changes of note:

- Stormwater Utility Rates

Land Use	5/1/2024	1/1/2025	1/1/2026
Single-Family	9.25	9.75	10.25
Multi-Family	33.81	35.64	37.46
Commercial	51.78	54.58	57.38
Industrial	51.78	54.58	57.38
Institutional	45.92	48.41	50.89

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution approving the updated City-wide fee schedule for city services

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

RESOLUTION NO. 24-__

A RESOLUTION AMENDING THE GRAND RAPIDS CITY-WIDE FEE SCHEDULE FOR CITY SERVICES

WHEREAS, Minnesota Law establishes that all municipalities establish fees that are commensurate with service, and that they be fair, reasonable, and proportionate to the actual cost of the service for which the fee is imposed; and

WHEREAS, consistent with Minnesota Law, the Grand Rapids City Council establishes the rates to be applied, or charges for, specific areas of service, provided by the City, through the adoption and periodic amendment of a fee schedule; and

WHEREAS, from time to time, staff reviews the department fee schedule to ensure consistency with fees charged, for City services provided; and

NOW THEREFORE, BE IT RESOLVED, that the Grand Rapids City Council hereby amends the Grand Rapids' City Wide Fee Schedule for City Services as noted in "Exhibit A."

Adopted by the Council this 8th day of April, 2024.

Tasha Connelly, Mayor

ATTEST:

Kim Johnson-Gibeau, City Clerk

Councilmember _____ seconded the foregoing resolution and the following voted in favor thereof: _____; and the following voted against same: _____; whereby the resolution was declared duly passed and adopted.

DEPARTMENTAL FEE SCHEDULE FOR CITY SERVICES

Effective Date: 4/22/24

Item 6.

CITY WIDE FEES	
Photo copy – material provided by the person making request	\$1.00 1 st page - .10 cents each additional page
Data Charges:	
Hourly Rate (charged by ¼ hour)	\$20.00
911 Call Transcript	\$25.00/hour
Physical Copies - up to 100 pages	\$0.25/page
Physical Copies - 101 pages or more	\$0.10/page
CD/DVD	\$5.00/disk
Flash Drive (4-8GB)	\$10.00
Flash Drive (16-32GB)	\$15.00
Notary Service	\$1.00
Certification Service	\$5.00/instance
3.5" x 5" Photo Prints	\$10.00 base plus \$0.25/photo
8" x 12" Photo Prints	\$10.00 base plus \$0.25/photo
ADMINISTRATION DEPARTMENT	
Amusements (theatre)	\$75.00 per screen per year
Circus	\$75.00 event
Fortune Telling	\$35.00 per day
Rollerskating License	\$200.00 per year
Intoxicating Liquor	
Private On-Sale	
Investigation Fee	\$150.00
Annual License Fee	\$2,500.00
Annual On-Sale Wine	\$550.00
Sunday On-Sale	\$200.00
Limited Season On-Sale	\$100.00 For licensees with service of less than thirty (30) days in a seasonal period less than six (6) months in duration.
Club On-Sale	
Club with under 200 members	\$300.00
201- 500 members	\$500.00
501- 1,000 members	\$650.00
1,001 – 2,000 members	\$800.00
More than 2,000	\$1,000.00
Sunday On-Sale	\$150.00
Private Off-Sale	\$150.00
Temporary On-Sale	\$20.00
Convention Facilities Transfer On-Sale	
City issued on-sale license	\$25.00
Adjacent municipality	\$100.00

Non-intoxicating malt liquor 3.2	
Annual on-sale	\$275.00
Annual off-sale	\$100.00
Temporary on-sale	\$25.00
Brewer Taprooms/Brewpubs	
Taproom/Brewpub Annual On-Sale	\$350.00 includes Sunday sales
Brewer Annual Off-sale (Growlers)	\$200.00
Synthetic Drug Establishments	\$600.00 annually
Sidewalk Café	\$25.00
Taxicabs	\$25.00 each vehicle
Fireworks	350.00 – tents, etc.) 100.00 – retail buildings (in store)
Peddlers, Solicitors and Transient Merchant <small>(Resolution No. 06-110)</small>	\$150.00 per year
Permit to keep Chickens	\$20.00 per year
AIRPORT	
Landing Fees	\$1.00 per 1,000 lbs
CENTRAL SCHOOL BUILDING	
Monthly Rental Fees	
Garden Level	\$Varies by Suite
1 st Floor	\$12.31 *
2 nd Floor	\$11.88 *
CIVIC CENTER	
Icetime	\$180.00/per hour
	\$75.00 per hour – Miner’s Pavilion (non-GRAHA)
Dryfloor space East Venue	\$700.00 per day – receptions/parties
	\$1,300.00 per day - commercial
	\$1,850.00 – Wedding Receptions
West Venue	\$600.00 per day – receptions/parties
	\$1,200.00 per day – commercial
Miner’s Pavilion	\$20.00 per hour – sports
	\$100.00 half day event
	\$200.00 full day event
Lobby space	\$30.00 per hour (minimum 2 hours)
Tables	\$9.00 each
Chairs	\$1.00 each
Linens	TBD
Staging	\$20.00 per 4’ x 8’ section
Skate Sharpening	\$5.00
Public Skating	\$2.00 children & seniors

	\$3.00 adults	Item 6.
Open Hockey	\$7.00	
Wall Advertising	\$600.00 per year	
In-Ice Advertising	\$1,250.00 per year	
Resurfacers Advertising	\$300 - \$1,500.00 per year	
Dasher Advertising	\$800.00 per year for 1, \$1,200.00 per year for 2	
Scoreboard Advertising	\$700.00 per year	
Banner Advertising	\$750.00 per year	
Wall Sign & 1 Dasher	\$1,200.00 per year	
Wall Sign & 2 Dashers	\$1,600.00 per year	
COMMUNITY DEVELOPMENT		
Building Permits		
\$1.00 - \$500.00	\$23.50 *	
\$501.00 - \$2,000.00	\$23.75 * for the first \$500.00 plus \$3.50 for each additional \$100.00 or fraction thereof, to and including \$2,000.00	
\$2,001.00 - \$25,000.00	\$70.00 * for the first \$2,000.00 plus \$14.20* for each additional \$1,000.00 or fraction thereof, to and including \$25,000.00	
\$25,001.00 to \$50,000.00	\$391.65* for the first \$25,000.00 plus \$10.20* for each additional \$1,000.00 or fraction thereof, to and including \$50,000.00	
\$50,001.00 to 4100,000.00	\$650.20* for the first \$50,000.00 plus \$7.10* for each additional \$1,000.00 or fraction thereof, to and including \$100,000.00	
\$100,001.00 to \$500,000.00	\$1,003.70* for the first \$100,000.00 plus \$5.66* for each additional \$1,000.00 or fraction thereof, to and including \$500,000.00	
\$500,001.00 to \$1,000,000.00	\$3,266.10* for the first \$500,000.00 plus \$4.80* for each additional \$1,000.00 or fraction thereof, to and including \$1,000,000.00	
\$1,000,001.00 and up	\$5,664.85* for the first \$1,000,000.00 plus \$3.18* for each additional \$1,000.00 or fraction thereof	
	Projects valued at greater than \$5,000,000.00 the City may, at its own discretion, negotiate this component of the building permit fee with the project owner/developer.	
Annual building Permit (as per MN Rule 1300.0120, Subparts 2 and 3)	\$505.00*	
Plan Review Fee	65% of the Permit fee	
Plan Review Fee (Similar Plans)	25% of the Permit fee	
State Surcharge	(As per MN Statute 16B.70)	
Other Inspections and Fees:		
1. Outside of normal business hours	\$55.55/hour*	
2. Re-inspection fees	\$55.55/hour*	

3. Inspections for which no fee is specifically indicated	\$55.55/hour*				Item 6.
4. Additional plan review required by changes, additions, or revisions to plans	\$55.55/hour*				
5. Investigation Fee	\$55.55/hour*				
6. Work commencing without building permit.	Investigative Fee/Double building permit fee. (as per MN Rule 1300.0160, Subpart 8).				
7. For use of outside consultants for plan checking and inspections or both.	Actual costs, including administrative and overhead				
8. Investigating and resolving Property Maintenance Code violations	\$55.55/hour*				
Flat fees for small Residential projects	Base Permit Fee	Plan Check Fee	State Surcharge Fee	Total Fee	
Re-roofing	\$60.00		\$1.00	\$61.00	
Garage Door	\$40.00		\$1.00	\$41.00	
Siding Replacement	\$60.00		\$1.00	\$61.00	
All Regulated Signs-requiring structural review.	\$57.88	\$37.62	\$1.00	\$96.50	
Detached Steps/Deck over 30" high (non-enclosed)	\$40.30	\$26.20	\$1.00	\$67.50	
Attached Steps/Deck (non-enclosed)	\$79.70	\$51.80	\$1.00	\$132.50	
Covered porch (non-enclosed)	\$113.03	\$73.47	\$1.00	\$186.50	
Fence over 6 feet in height	\$57.88	\$37.62	\$1.00	\$96.50	
Retaining Wall -Over 4 feet in height	\$57.88	\$37.62	\$1.00	\$67.50	
Egress Windows (new)	\$40.30	\$26.20	\$1.00	\$67.50	
Residential Window replacement	\$60.00		\$1.00	\$61.00	
Furnace-Replacement	\$40.30	\$26.20	\$1.00	\$67.50	
Water Heater/Softener	\$40.30	\$26.20	\$1.00	\$67.50	
Replace sink, toilet, faucet, tub (minor repairs)	\$14.50		\$1.00	\$15.50	
Residential & Commercial Demolitions	\$40.00*		\$1.00	\$41.00	
Fireplaces -& free standing stoves (Gas or Wood)	\$54.85*	\$35.65	\$1.00	\$91.50	
Emergency Number Sign	\$75.00 each				
Comprehensive Plan	\$15.15* each				
Comprehensive Plan Appendix	\$25.25* each				
Zoning Letter	\$35.35* each				
Zoning Map	\$15.15*each				
Zoning Ordinance	\$30.30* each				
Subdivision Ordinance	\$5.05* each				
Zoning Permit (Residential)	\$55.55*				
Zoning Permit (Commercial)	\$65.65*/hour (actual cost)				
Fill Permit	\$75.75*				
Sign permit (for signs not requiring structural review)	\$55.55*				45

Conditional Use Permit	\$505.00*	Item 6.
Conditional Use Permit-General Sales and Service with a building footprint greater than 70,000 s.f. (Res. 07-35)	Total Actual Cost Incurred by the City (\$3,500 deposit required via escrow agreement)	
Environmental Assessment Worksheet preparation, review and processing	Total Actual Cost Incurred by the City (\$10,000 deposit required via escrow agreement)	
Subdivision	\$2,525.00*	
Minor Subdivision (Res: 13-71)	\$1,200.00	
Payment in Lieu of Commercial Land Dedication	\$135.00 per Worker	
Planned Unit Development	\$2,525.00*	
Rezoning or zoning Text Amendment	\$505.00*	
Variance	\$252.50*	
Right-of-Way/Easement	\$505.00*	
Rental Permit Fees (Annually)		
1 unit residential	\$100.00	
Duplex residential (2 units)	\$150.00	
Multi-Unit Residential Buildings		
3 – 6 units	\$200.00/building	
7 – 10 units	\$300.00/building	
11 – 12 units	\$360.00/building	
13 – 24 units	\$500.00/building	
25 units & up	\$700.00/building	
Other fees charged when incurred:		
Re-inspection fee for 3 rd and each additional inspection require for compliance	\$100.00/each	
Complaint-based inspection (with validated violation)	\$100.00/each	
Late Rental Registration Penalty	\$100.00/each	
Reinstatement Fee of Suspended Rental License	\$500.00/each	
First-time Rental Registration Fee (Rental Initiation Fee)	\$400.00/each	<i>Not including first year registration.</i>
Failure to Transfer Ownership of Penalty	\$100.00/each	
Operating without a License Penalty	\$500.00/each	
Appeal (Rate applies to each structure involved in the appeal.)	\$200.00/each	
Failure to Designate a Local Manager	\$100.00/each	
ENGINEERING DEPARTMENT		
Right of Way Improvement permit	\$50.00	
After-the-Fact ROW Permit	Two times original permit fee	
Bench Pad	\$900.00	
Small Wireless Facility Fees		
Permit Application Fee	\$1,000.00/unit (new structure); \$500 (existing structure)	46

Co-location Rent	\$175.00 per year per site	Item 6.		
Monthly Fee for Electrical Service per radio node less than or equal to 100 max watts	\$73.00 per radio node			
Monthly Fee for Electrical Service per radio node over 100 max watts	\$182.00 per radio node			
Stormwater Permit Application				
Residential	\$25.00			
Commercial/Industrial (0 ac – 1 ac)	\$100.00			
Commercial/Industrial (1 ac – 3+ ac)	\$175.00			
Commercial/Industrial (3+ ac)	\$300.00			
Stormwater Pollution Prevention Deposit				
Residential	\$500.00			
Commercial/Industrial	\$1,000.00/\$100,000 or project cost			
Stormwater Utility Rates		As of 5/1/2024	As of 1/1/2025	As of 1/1/2026
Single-Family	\$9.25	\$9.75	\$10.25	
Multi-Family	\$33.82	\$35.64	\$37.46	
Commercial	\$51.78	\$54.58	\$57.38	
Industrial	\$51.78	\$54.58	\$57.38	
Institutional	\$45.92	\$48.41	\$50.89	
City Map	\$10.00			
Prints:				
24/24	\$3.50 each			
24/36	\$5.00 each			
36x48	\$10.00			
Aerials contours (hard copies)	\$40.00 first copy - \$5.00 additional copy of same			
Aerial electronic photos (1 photo 160 acres)	\$150.00			
Aerial prints 8 ½ x 11 with property and utility	\$10.00 per parcel			
GIS Technician	\$32.47/Hour			
FINANCE DEPARTMENT				
Assessment Certificates	\$15.00			
Fax	\$2.00 first page (10¢ each additional page)			
Worthless Check	\$30.00			
FIRE DEPARTMENT				
Fire report	See City wide fees relative to photo copies			
Itasca Cty false alarm ordinance – 4 th false alarm and up	\$500.00			
Yearly Day Care/Foster Care	\$50.00			
Inspection fees	\$50.00			

Inspection Fees:	
First Fire Inspection	.00
Second Inspection only if violation isn't fixed or substantial progress is not made on violations	\$125.00
Each additional inspection	\$100.00 increments up to \$500.00
Complaint based inspections (considered a first inspection)	.00
Requested fire inspection	\$50.00/hour (\$50.00 minimum)
Storage of Flammable Liquids:	
Bulk storage of flammable liquids	\$150.00/year
Bulk storage of liquefied petroleum (LP)	\$150.00/year
Each station dispensing liquefied petroleum (LP)	\$50.00/year
Above or underground fuel tank installation	\$50.00
Underground tank removal	\$50.00
Hotel Inspection Fees:	
Base fire inspection fee (includes one follow-up inspection)	\$435.00
• Up to 35 rooms	\$6.00/room
• 36 to 100 rooms	\$7.00/room
• 101 or more rooms	\$8.00/room
Follow-up inspection fee (if more than one)	\$225.00

ITASCA CALVARY CEMETERY		
Standard Grave	Resident	Non-Resident
Grave Site Purchase	\$350.00	\$600.00
Casket Burial		
Interment/Grave Excavation	\$600.00	\$600.00
Interment/Grave (after hours & Saturdays)	\$900.00	\$900.00
Interment (holidays & Sundays)	\$1,250.00	\$1,250.00
Disinterment	\$1,500.00	\$1,500.00
Re-Interment	\$600.00	\$600.00
Cremaains Burial		
Interment	\$150.00	\$150.00
Interment (after hours, weekends, holidays)	\$250.00	\$250.00
Disinterment	\$200.00	\$200.00
Infant Grave		
¼ Grave Site Purchase	\$190.00	\$310.00
Interment	\$170.00	\$170.00
Interment (after hours, weekends & holidays)	\$270.00	\$270.00
Disinterment	\$350.00	\$350.00
Stone Setting Fee		
Single	\$75.00	\$75.00
Double	\$100.00	\$100.00
Forms		
2" Border	\$100.00	\$150.00

4" Border	\$150.00	\$200.00	Item 6.
Military	VA Designates price		
PARKS AND RECREATION			
User Fees (softball, baseball & soccer leagues)	\$10.00 per player		
Veteran's Park Pavilions	\$25.00 per day per pavilion (no fee for non-profit)		
POLICE DEPARTMENT			
Pound Fee	\$10.00/day		
Disposal of Animals:			
Dog	100% Vet Charges		
Cat	100% Vet Charges		
Vehicle Tow Fees	Rate charged by towing company to City		
Funeral Escort	\$50.00		
CBD Parking Permits	\$25.00 annually		
Golf Cart Permit Fee	\$25.00 annually		
False Alarm	N/C 1 st through 3 rd false alarm \$50.00 4 th false alarm \$75.00 5 th false alarm \$100.00 6 th false alarm \$125.00 7 th false alarm \$150.00 8 th false alarm \$175.00 9 th false alarm \$500.00 10 th false alarm \$500.00 all calls after 10 th		
POLICE ADMINISTRATIVE PENALTIES			
Alcohol – Consuming Alcohol in unauthorized places	\$60.00		
Animals:			
Vicious animal	\$50.00		
All other animal violations	\$25.00		
Registration of a Dangerous Dog	\$500.00		
Fireworks:			
Illegal Use, Possession	\$250.00		
Miscellaneous:			
Curfew	\$25.00		
Failure to apply for license	\$100.00		
Golf cart and all terrain vehicle violations	\$60.00		
Illegal Dumping	\$50.00		
Noise complaints	\$50.00		
Noise complaints second violation in 12 months	\$100.00		
Park ordinance violations	\$25.00		
Public nuisance	\$100.00		

Snowmobile Violations	\$60.00	Item 6.
Skateboard violations	\$40.00	
Trespassing	\$50.00	
Display for sale vehicles (Ord. 23.7-D1)	\$50.00	
Parking:		
Fire Lane	\$50.00	
Blocking Fire Hydrant	\$50.00	
Failure to pay all parking fines after 30 days	50.00	
Traffic:		
Exhibition Driving (Prohibited)	\$60.00	
Speed (1-10 mph over posted limit)	\$60.00* (as required by State Statute 5-21-09)	
Stop Signs Violation	\$60.00* (as required by State Statute 5-21-09)	
Unreasonable Acceleration	\$60.00* (as required by State Statute 5-21-09)	
Mufflers 169.69 (Add) Hitching 169.46 (Add) Unsafe Equipment 169.47 Headphones/TV Screen 169.471 Use of Wireless Comm. Device 169.475 Vehicle Lighting 169.48 Headlamps 169.49 Rear lamps 169.50 Clearance & Marker Lamps 169.51 Projecting load; light or flag 169.52 Slow moving vehicle, no sign 169.522 Lights for parked vehicles 169.53 Lights on all vehicles 169.53 Auxiliary lights 169.56 Vehicle Signals 169.57 Identification lamps 169.58 Warning Lights 169.59 Distribution of light 169.60 Composite Beam 169.61 Number of lamps 169.63 Prohibited lights 169.64 Specs for lightning & other devices 169.65 Brakes 169.67 Horn, siren 169.68 Motor vehicle noise limits 169.693 Rear view mirror 169.70 Windshield 169.71 Tire surface; metal studs 169.72 Tires considered unsafe 169.723/169.724 Bumpers, safeguards 169.73 Wheel flaps on truck & trailer 169.733 Automobile fenders 169.734 Safety glass 169.74 Flares, flags or reflectors required 169.75	\$60.00* (as allowed by State Statute 5-21-09)	

Citation Hearing Fee	\$30.00	<i>Item 6.</i>
Weapons:		
Discharge of Display of Pellet/Guns	\$50.00	
PUBLIC WORKS		
Equipment Hourly rates: **		
Pickups	\$25.00	
Trucks / Plows	\$45.00	
Heavy equipment	\$80.00	
Mowing Equipment	\$25.00	
Chipper, compressor, steamer	\$25.00	
Lawn movers/weed eaters	\$15.00	
Ice Resurfacer (Zamboni)	\$175.00	
Materials: **		
Cold Mix	\$130.00/ton	
Sand	\$15.00/yard	
Straight Salt	\$75.00/yard	
Treated Salt	\$90.00/yard	
Paint	\$13.37/gal.	
Magnesium Chloride	\$1.50/gal.	
Mailbox installation	\$275.00 (includes post and mailbox)	
<p>** Rates apply to contract services provided for Intergovernmental agencies such as Itasca County, MNDOT, ICC, School District 318, and the DNR. Hourly wage and benefits to be included in addition to listed hourly equipment rates. The only exception is the fee for the ice resurfacer</p>		



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider approving final payment in the amount of \$6,250.00 for Work Scope 9 on the Civic Center Project

PREPARED BY: Glen Hodgson

BACKGROUND:

The contract for Work Scope 9 (Elevator) with Larson Elevator Company is complete and ready for final payment. Final payment has been recommended by ICS, and I concur with that recommendation.

The amount of this final payment is \$6,250.00 which represents a release of retainage.

Original Contract Amount = \$125,000.00

Final Contract Amount = \$125,000.00

No change orders were issued on this project. No balancing change order is needed.

REQUESTED COUNCIL ACTION:

Make a motion approving final payment in the amount of \$6,250.00 for Work Scope 9 on the Civic Center Project.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024
AGENDA ITEM: Consider hiring staff for Public Works for the 2024 Spring/Summer Maintenance Season
PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

The Public Works Department hires part-time workers for the Spring/Summer Maintenance Season to work on all city owned property such as parks, athletic fields, rights-of-way, the Itasca Calvary Cemetery, and the Itasca County Airport.

There is one (1) additional returning hire for a summer maintenance position and the starting date, ending date, and rate of pay is listed below:

Calvin Johson Starting June 3, 2024 Ending October 26, 2024 \$15.50 per hour

There are six (6) new hires for summer maintenance, and their starting date, ending date, and rate of pay are listed below:

Michael Holte Starting May 6, 2024 Ending October 26, 2024 \$15.00 per hour
Garrett Beckrich Starting May 13, 2024 Ending October 26, 2024 \$15.00 per hour
Olivia Muster Starting May 13, 2024 Ending October 26, 2024 \$15.00 per hour
Tanner Morlan Starting June 3, 2024 Ending October 26, 2024 \$15.00 per hour
Ethan Pellersels Starting June 3, 2024 Ending October 26, 2024 \$15.00 per hour
Jackson Dearmon Starting June 3, 2024 Ending October 26, 2024 \$15.00 per hour

All costs associated with the employment for the returning employees and new hires are included in the 2024 budget.

REQUESTED COUNCIL ACTION:

Make a motion to rehire the one (1) returning employee and the six (6) new hires, as listed above with the correlating starting date, ending date, and rate of pay.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 4-22-24

AGENDA ITEM: Consider submittal of an MPCA Local Climate Action grant

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

The Climate Action Committee is preparing a climate resiliency plan for the city. Part of the plan would include benchmarking Greenhouse Gas Emissions (GHG). The three areas of benchmarking are energy, travel, and waste. The MPCA has a Local Climate Action grant available to assist cities with this effort. Staff is recommending the City request \$5,000.

REQUESTED COUNCIL ACTION:

Make a motion to authorize the submittal of an MPCA Local Climate Action grant in an amount of \$5,000.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider approving Memorandum of Understanding (MOU) with the Grand Rapid Public Utilities Commission and the City of Grand Rapids relating to Oracle Cloud Services and Software.

PREPARED BY: Barb Baird

BACKGROUND:

This MOU is for discussion purposes only and is not intended to constitute a legally binding or enforceable agreement or commitment on either Party.

The parties have committed to a Parent-Child relationship in relation to the Software, Services, and Oracle Agreement for the term of the agreement. The Parties will take such action as is reasonably necessary to ensure that both parties have the full right to access and use the Software and Services in accordance with the Oracle Agreement as needs of that organization dictate.

REQUESTED COUNCIL ACTION:

Make a motion to approve an MOU with the Grand Rapid Public Utilities Commission and the City of Grand Rapids relating to Oracle Cloud Services and Software.

MEMORANDUM OF UNDERSTANDING

THIS MEMORANDUM OF UNDERSTANDING (this “**MOU**”), dated as of _____, 2024, sets forth certain nonbinding understandings and binding agreements between Grand Rapids Public Utilities Commission, a public utilities commission created under Minnesota Statutes, sections 412.321 to 412.391 (the “**GRPUC**”), and City of Grand Rapids, a Minnesota municipal corporation (the “**City**”), relating to City’s Public Sector Agreement for Oracle Cloud Services, and documents referred to therein or entered into thereunder (collectively, “**Oracle Agreement**”), with Oracle America, Inc. (“**Oracle**”), relating to Oracle-provided Software (as defined in the Oracle Agreement) (“**Software**”) and Oracle’s provision of Services (as defined in the Oracle Agreement) (“**Services**”). GRPUC and City are sometimes referred to individually as a “**Party**” and collectively as the “**Parties**”.

1. MOU Subject to Definitive Agreement. This MOU is for discussion purposes only and is not intended to constitute a legally binding or enforceable agreement or commitment on either Party, except for Section 3 which shall be binding on the Parties in accordance with its terms.

2. Nonbinding Understandings. This Section 2 sets forth the nonbinding understandings of the Parties with respect to the Oracle Agreement. It is the present intention of the Parties that City will enter into the Oracle Agreement with Oracle for use of the Software and Services, and City and GRPUC will have a Parent-Child relationship in relation to the Software and Services, which will allow GRPUC to use the Software and Services for its business needs, all on the terms and conditions set forth in this Section 2. The Parties intend to negotiate a formal written agreement (“**Definitive Agreement**”) that would govern their relationship in relation to the Software and Services and the Oracle Agreement. Binding obligations with respect to the Software and Services and the Oracle Agreement shall only arise upon the execution of the Definitive Agreement by both Parties. Following are the parameters of the Definitive Agreement:

(a) The Definitive Agreement will define the roles and responsibilities of GRPUC and City in relation to the implementation, enforcement, maintenance, use, control, and operation of the Software, Services, and Oracle Agreement.

(b) The Parties will commit to a Parent-Child relationship in relation to the Software, Services, and Oracle Agreement for the term of the Definitive Agreement and the Parties will take such action as is reasonably necessary to ensure that both Parties have the full right to access and use the Software and Services in accordance with the Oracle Agreement as the needs of that organization dictate.

(c) The Definitive Agreement will be binding on the Parties for five (5) to seven (7) years after the date of the Definitive Agreement, subject to standard early termination provisions.

(d) The Definitive Agreement will contain such covenants, conditions, indemnities, representations and warranties as are customary for this type of transaction and as the Parties mutually agree.

3. Binding Agreements. This Section 3 shall constitute a legally binding and enforceable agreement between the Parties. In consideration of the significant expenses that the Parties will incur in pursuing the Oracle Agreement and drafting and negotiating the Definitive Agreement, the Parties agree as follows:

(a) Good Faith Negotiations. The Parties shall negotiate in good faith and use their best efforts to bring about the execution and delivery of the Definitive Agreement at the earliest practicable time, but no later than six (6) months from the date of this MOU.

(b) Costs and Expenses. Each Party shall be responsible for all of its costs and expenses associated with pursuing the Definitive Agreement, including without limitation, the performance of its obligations under this MOU and drafting and negotiating the Definitive Agreement.

(c) Governing Law. This MOU shall be governed by and construed in accordance with the internal laws of the state of Minnesota.

(d) Counterparts. This MOU may be executed in separate counterparts with the same effect as if all signatures were on the same MOU. For purposes of this MOU, a telecopy, electronic, or facsimile MOU and signature shall be deemed as, and shall serve as, an original MOU and signature.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, the Parties hereto have executed this MOU as of the date set forth above.

Grand Rapids Public Utilities Commission

City of Grand Rapids

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider adopting a resolution approving reimbursement of expenditures for CP 2010-1, 3rd Avenue/7th Street NE Project.

PREPARED BY: Matt Wegwerth

BACKGROUND:

CP 2010-1, 3rd Avenue/7th Street NE Project, includes pavement and utility replacement on 3rd Avenue, from 4th Street to 8th Street, and 7th Street NE, from 3rd Avenue to 5th Avenue.

In order to bond for the City's share of the project, a reimbursement resolution is necessary.

The City's share is \$4,000,000.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution approving reimbursement of expenditures for CP 2010-1, 3rd Avenue/7th Street NE Project.

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

RESOLUTION NO.24-__

**A RESOLUTION INTENDING TO REIMBURSE EXPENDITURES FOR THE
3rd Avenue/7th Street NE Project
City Project 2010-1**

WHEREAS, the City Council accepted the Feasibility Report for the 3rd Avenue/7th Street NE Project; and

WHEREAS, the construction described in the Feasibility Report is the most cost effective solution; and

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA:

1. Such improvement is hereby ordered as proposed in accordance with the Feasibility Report and referred to therein.
2. The City Engineer is hereby designated as the City's representative for this improvement and he or his designee shall prepare plans and specifications for the making of such improvement.
3. The City reasonably intends to make expenditures for 3rd Avenue/7th Street NE, City Project 2010-1, and reasonably intends to reimburse itself for such expenditures from the proceeds of debt to be issued by the city in the maximum principal amount of \$4,000,000.
4. The Council shall let the contract for all or part of such improvement, or otherwise as authorized by Minn. Stat. 429.041, subd. 2, no later than January 8th, 2025.

Adopted by the Council this 22nd day of April, 2024.

Tasha Connelly, Mayor

ATTEST:

Kim Johnson-Gibeau, City Clerk

Council member _____ seconded the foregoing resolution and the following voted in favor thereof: _____ ; and the following voted against same: _____ ; whereby the resolution was declared duly passed and adopted.



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

REQUEST FOR BOARD ACTION

AGENDA DATE: April 22, 2024
AGENDA ITEM: Consider approval of seasonal contractors
PREPARED BY: Tom Beaudry

BACKGROUND:

Seasonal contractors are brought on at Pokegama Golf Course as starters/rangers and golf instructors. Attached is the list that would be brought on if approved.

REQUESTED BOARD ACTION:

Make a motion to approve seasonal contractors.

- Jodi Janecke Starter/Ranger
- Mark Stupar Starter/Ranger
- Matthew Olson Starter/Ranger
- Lloyd Retzlaff Starter/Ranger
- Jeff Frazier Starter/Ranger
- James Cambell Starter/Ranger
- Mark Matteson Starter/Ranger
- Adam Sadlemeyer Starter/Ranger
- Corey Gice Starter/Ranger

Joeseph Pollard	Starter/Ranger
Bob Cahill	Starter/Ranger
Jerrod Stark	Golf Instructor
Nancy Hannah	Starter/Ranger
Todd Godfrey	Starter/Ranger



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

REQUEST FOR BOARD ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider authorizing the sale of old patio furniture at the Golf Course through the sealed bid process.

PREPARED BY: Tom Beaudry

BACKGROUND:

The golf course is replacing patio furniture for the 2024 golf season. Staff would like to sell the old patio furniture, consisting of four tables and twenty chairs, using the sealed bid process. Staff will bring request back to Council to accept bid(s) at the May 13, 2024 regular meeting.

REQUESTED BOARD ACTION:

Make a motion to authorize the sale of old patio furniture through the sealed bid process.

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

RESOLUTION NO. 24-

A RESOLUTION ACCEPTING A \$53,906.25 (Award + Match) HAZARDOUS MATERIALS EMERGENCY PREPAREDNESS (HMEP YR 2022) GRANT FROM THE MINNESOTA DEPARTMENT OF PUBLIC SAFETY: STATE FIRE MARSHAL DIVISION FOR HAZARDOUS MATERIALS TRAINING WITH A REQUIRED LOCAL MATCH OF \$10,781.25 FOR THE GRAND RAPIDS FIRE DEPARTMENT

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donation and terms of the donor as follows:

- The Minnesota Department of Public Safety: State Fire Marshal Division has granted the Grand Rapids Fire Department a \$43,125.00 HMEP grant which requires a match of \$10,781.25. Training includes attending the 2024 Cold Zone Conference and IAFC Hazmat Conference, along with a required 40 hour Hazmat Tech class for department members.

Adopted this 22nd day of April 2024.

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

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

MINNESOTA DEPARTMENT OF PUBLIC SAFETY



Alcohol and
Gambling
Enforcement

Bureau of
Criminal
Apprehension

Driver
and Vehicle
Services

Emergency
Communication
Networks

Homeland
Security and
Emergency
Management

Minnesota
State Patrol

Office of
Communications

Office of
Justice Programs

Office of
Pipeline Safety

Office of
Traffic Safety

State Fire
Marshal



State Fire Marshal

445 Minnesota Street • Suite 145 • Saint Paul, Minnesota 55101-5145
Phone: 651-201-7200 • Fax: 651-215-0525
www.dps.state.mn.us

Grand Rapids Hazmat
Attn: Travis Cole
104 SE 11th Street
Grand Rapids, MN 55744

The Minnesota State Fire Marshal Division is pleased to notify you that we have approved your request for funding for your Hazardous Materials Emergency Preparedness (HMEP) Grant.

- Total Grant Allocation (award + match): \$53,906.25
- Total Grant Award (80%) (reimbursable amount): \$43,125.00
- Total Grant Match Required (20%): \$10,781.25

Awarded funds MUST be spent on the approved budgeted items that you listed in your request for funding submission by September 30th, 2024. Reimbursements must be requested no later than October 31st, 2024.

This is a reimbursement program, and the funds will be disbursed upon receipt of the signed, completed forms, along with the proper supporting documentation (by October 31st, 2024).

If you have any questions regarding your award, please contact State Emergency Response Teams Coordinator John Kreuser at john.kreuser@state.mn.us or (612) 619-8964.

Respectfully,

John Kreuser
State Emergency Response Teams Coordinator



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 04/22/2024

AGENDA ITEM: Consider adopting a resolution accepting a Hazardous Materials Emergency Preparedness Grant

PREPARED BY: Travis Cole-Fire Chief

BACKGROUND:

The Grand Rapids Fire Department has applied and been awarded \$53,906.25 of funding for the Hazardous Material Chemical Assessment Team to be reimbursed at an 80/20 match, used for training and educational purposes. The twenty percent funding match is accounted for within the Hazmat Team regular budget and does not affect our regular operating budget.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution accepting a Hazardous Materials Emergency Planning Grant on behalf of the Hazardous Material Chemical Assessment Team.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 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, Ethan Heyblom, will not be filling this role.

REQUESTED COUNCIL ACTION:

Make a motion to remove the appointment of Ethan Heyblom from the part-time Hospital Security Officer roster retroactive to November 23, 2023.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider hiring staff for Pokegama Golf Course for the 2024 Golfing Season and making corrections to hourly wages

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

The Pokegama Golf Course hires part-time and seasonal workers for the 2024 Golfing Season.

There are ten (10) hires/rehires for Pokegama Golf Course listed below. Their employment shall begin no sooner than April 23, 2024, and end no later than October 31, 2024.

The position, approximate starting date and ending date, and rate of pay are listed below:

Name	Position	Start Date	End Date	ROP
Thomas Grundmeyer	Pro Shop Attendant	April 24, 2024	October 26, 2024	\$16.00 per hour
Lila Ugrich	Pro Shop Attendant	April 26, 2024	October 26, 2024	\$15.00 per hour
Aiden Stanley	General Maintenance	June 1, 2024	October 26, 2024	\$15.00 per hour
Nathan Garski	General Maintenance	June 1, 2024	October 26, 2024	\$15.00 per hour
Perry Kingsbury	General Maintenance	May 1, 2024	October 26, 2024	\$15.00 per hour
Kyle Lussier	General Maintenance	April 23, 2024	October 26, 2024	\$15.00 per hour
Hayden Jackson	General Maintenance	June 1, 2024	October 26, 2024	\$15.00 per hour
Dominic Broberg	General Maintenance	June 1, 2024	October 26, 2024	\$15.00 per hour
Joy Tavis	General Maintenance	June 1, 2024	October 26, 2024	\$15.00 per hour
Zachary Lagergren	General Maintenance	April 23, 2024	October 26, 2024	\$15.00 per hour

In addition, at the March 11, 2024, City Council Meeting, the City Council approved rehiring several golf course employees. Corrections need to be made to the hourly wage of three (3) Pokegama Golf Course rehires, as follows:

Rebecca LaPlant was rehired at \$15.00 per hour. Her corrected hourly rate of pay should be \$15.50 per hour.

Sheri Huson was rehired at \$15.50 per hour. Her corrected hourly rate of pay should be \$16.50 per hour.

James Sweeney was rehired at \$16.00 per hour. His corrected hourly rate of pay should be \$17.00 per hour.

All costs associated with their employment are included in the 2024 budget.

REQUESTED COUNCIL ACTION:

Make a motion to hire the ten (10) hires/rehires, as listed above, with the correlating position, approximate starting date and ending date, and rate of pay; and approve revised hourly rate of pay for the three (3) golf course rehires as mentioned above.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider entering into an Agreement with Grand Rapids Amateur Hockey Association authorizing them to install refrigeration in Miner's Pavilion.

PREPARED BY: Dale Anderson, Director of Parks & Recreation

BACKGROUND:

Due to growth in numbers and the inconsistency of outdoor ice the past few seasons, GRAHA is in need of another reliable sheet of ice. If approved, the GRAHA board will move forward with a project to install refrigeration in Miner's Pavilion. This will provide a third sheet of ice at Yanmar Arena anytime outdoor temperatures are below 50 degrees. This will also allow GRAHA to hold additional tournaments, increasing their economic impact on our community during the winter months.

A copy of the Agreement and the proposal from Rink-Tec are attached for your review.

REQUESTED COUNCIL ACTION:

Make a motion to enter into an Agreement with Grand Rapids Amateur Hockey Association authorizing them to install refrigeration in Miner's Pavilion.

AGREEMENT

THIS AGREEMENT, by and between the City of Grand Rapids, Minnesota a municipal corporation, hereinafter referred to as the “City”, and Grand Rapids Amateur Hockey Association, Grand Rapids, Minnesota, hereinafter referred to as the “GRAHA”, entered into this ____ day of _____, 2024.

RECITALS

WHEREAS, City owns and operates the Jerry and Shirley Miner Pavilion located at Yanmar Arena “Pavilion”; and

WHEREAS, GRAHA has determined that the change in climate has resulted in the need to install artificial ice via a refrigeration system at the Pavilion “Project”; and

WHEREAS, with the growth in GRAHA membership there is a need for additional dependable ice; and

WHEREAS, GRAHA also intends to add four weekends of eight team tournaments at the Pavilion creating a minimum economic impact of \$500,000, based on a 2018 University of Minnesota economic impact report;

NOW THEREFORE, for good and valuable mutual consideration, City and GRAHA mutually agree as follows:

ARTICLE I - AGREEMENT TO CONSTRUCT

WHEREAS, the City is a Statutory City organized under *Minnesota Statute Chapter 412*, with the authority to provide for the economic development and general welfare of the City, in accordance with statutory authority, including the ability to enter contracts, and Agreements.

WHEREAS, in consideration of timing and the need to complete the Project prior to November 1, 2024, the City does hereby authorize GRAHA to enter the property located under and around the Pavilion and complete the Project under the following conditions.

1. Construction of the Project shall be generally in accordance with the preliminary proposal located in Attachment A.
2. GRAHA shall maintain through the term of this Agreement a policy of comprehensive general liability insurance with limits of at least \$1,000,000 per person, \$1,000,000 per occurrence, or City's statutory limits of liability pursuant to Minnesota Statutes, whichever is greater. As to each such policy the City shall be named as an additional insured. Said policy of insurance shall be evidenced by a certificate of insurance which shall be placed on file with City by GRAHA prior to commencement of occupancy of the premises by GRAHA. Each such policy or certificate shall contain a valid provision or endorsement that the policy may not be cancelled, terminated, changed, or modified without giving the City thirty (30) days advance written notice of such change. The policy shall also contain a contractual liability endorsement evidencing insurance coverage for GRAHA's indemnification obligation to City under this Agreement.
3. GRAHA shall require the contractor to provide a performance and payment bond, provide documentation that all subcontractors and suppliers have been paid, and that no liens have been placed against City property.
4. GRAHA shall provide to the City a set of construction plans that are executed by a professional engineer in the State of Minnesota.

5. The City shall secure and pay all necessary permits including a city building permit, state electrical permit, and any other required permits.
6. If feasible, electrical power supplying the Project, shall be sub metered on the City's existing electrical system. If this is not possible then the Project should be directly connected to the City's existing electrical system or if agreed upon mutually in writing, a separate independently metered system and GRPUC account established.
7. Upon completion of Project, submittal of documentation that there are no outstanding loans or liens, and acceptance by City, GRAHA shall donate the Project to the City.
8. GRAHA and the City shall work cooperatively to secure grant funding if available.

ARTICLE II – OPERATIONS

1. GRAHA shall pay all electrical and maintenance costs related to the Project.
2. GRAHA shall have the right to sell advertisements within the pavilion if it does not jeopardize City naming right or sponsorship agreements.
3. The City shall continue to maintain the Pavilion in accordance with the State approved Use Agreement.
4. The Pavilion shall be open to the public when GRAHA does not have scheduled use of the facility.

ARTICLE III - TERM

1. The term of this Agreement shall be from May 1, 2024 through April 30, 2034, except that this Agreement may terminate pursuant to the terms and conditions contained in this Agreement with one-year written notice of either party.

ARTICLE IV - MISCELLANEOUS

1. Notices: All notices herein provided for shall be sent by registered mail, postage prepaid, return receipt requested, and shall be deemed to have been given when sent, and if by GRAHA to City shall be addressed to City at the place herein provided for the payment of rent, and if given by City to GRAHA shall be addressed to: President, GRAHA, PO Box 422, Grand Rapids, MN 55744.
2. Waiver, Modification: No waiver of any condition, covenant, right or option of this Agreement by City shall be deemed to imply or constitute a further waiver of any like condition or covenant of said Agreement. No amendment or modification of this Agreement shall be valid or binding unless expressed in writing and executed by duly authorized representatives of the parties in the same manner as the execution of this Agreement.
3. Representations: Neither City nor any agent or employee of City has made any representations or promises with respect to the leased premises or the IRA Civic Center except as herein expressly set forth, and no rights, privileges, easements or licenses are required by GRAHA except as herein expressly set forth.

- 4. Cumulative Rights: No right or remedy herein conferred on and reserved to the GRAHA or the City is intended to be exclusive of any other right or remedy hereof provided by law, but each shall be cumulative in addition to every other right or remedy given herein or not or hereafter existing by law or in equity or by statute.

- 5. Approvals: Wherever the City's or the GRAHA's approval or consent shall be required herein, such approval or consent shall not be arbitrarily or unreasonably conditioned, delayed, or withheld and shall be deemed to have been given, unless within twenty (20) days of the request therefor, the City of the GRAHA, as appropriate, notifies the requesting party that the City or the GRAHA, as appropriate, is denying such approval or consent, stating in such notice that reasonable grounds therefor.

- 6. Successors, Assigns: This Agreement shall be binding on and shall inure to the benefit of the parties hereto and their respective successors and assigns. However, nothing in this paragraph shall be deemed to avoid the necessity of GRAHA obtaining written consent from City to assign or sublet this Agreement.

- 7. No Partnership: Nothing contained in this Agreement shall be deemed or construed to create a partnership or joint venture of or between City and GRAHA or to create any other relationship between the parties hereto other than that of City and GRAHA.

IN WITNESS WHEREOF, the parties have hereunto set their hands the day and year first above written.

CITY: CITY OF GRAND RAPIDS

BY: _____
Its Mayor

BY: _____
Its City Clerk

Date: _____

GRAHA:

BY: _____
Jon Toivonen
Its President

Date: _____

APPENDIX A

Item 17.



March 9, 2024

Mitch Kellen
Grand Rapids Hockey Association

Dear Mitch,

Rink-Tec International, Inc. is exclusively in the business of designing and installing industrial ice rink refrigeration systems and accessories. We offer complete design services for refrigeration; sub-floor heating systems and waste heat reclaim systems. The following is a description of the major products Rink-Tec International can offer you:

84' X 192' CONCRETE RINK FLOOR SYSTEM

Mains - The refrigeration mains between the outdoor chiller and the refrigerated floor are 8" SDR 11 fusion pipe with 2.5" thick pipe insulation and jacket. Once the mains are tested, they will be backfilled.

Sub-Floor Heating System - The sub-floor heating system will be constructed of 1" O.D. high density polyethylene tubing placed on 18" centers throughout the rink floor. The manifold system will be constructed of 3" SDR 11 fusion pipe and fittings. The polyethylene tubing is connected to the manifold with 1" SDR 11 fusion fittings. The mains will be stubbed up in the mechanical space for future connection.

Fine Grading - This section consists of placing 6" of the granular material on top of the subfloor heating system and leveling that fill to plus or minus 1/4" throughout the rink area.

Rink Floor Insulation - This section consists of furnishing and installing two layers of 2" thick 25 psi extruded insulation on top of the fine grade, including cutting and fitting the insulation to conform to the profiles of the rink and the header trench.

Vapor Barrier - This section consists of furnishing and installing a 6 mil. Vapor barrier on top of the rink floor insulation including overlap of vapor barrier material.

Reinforcing Steel - This section consists of furnishing and installing 22,500 lbs. of #4, grade 60 reinforcing steel on top of the reinforcing steel supports. The steel is installed on 14" centers the 84' direction of the rink floor and 12" centers the 192' direction of the rink floor.

Rink Floor System - Our refrigerated floor manifolds are constructed of 8" SDR 11 fusion pipe. They will be in a header trench at center of your ice-skating surface. The rink

floor tubing is 1" SDR 11 pipe placed on 3½" centers. The return bends are 180° fusion fittings connected to the rink floor tubing at each end of the rink. Our tubing spacers are constructed of 3/16" wire with a 3" wide foot plated for stability. They are placed in 2' centers throughout the rink floor and double as reinforcing steel supports.

Mesh - This section consists of furnishing and installing a 6" x 6" 10-gauge wire mesh on top of the rink floor tubing.

Rink Floor Concrete - This section includes providing a complete design mix, concrete testing, furnishing, and placing the concrete, proper finishing, and visqueen cure of the concrete. The concrete will be placed with a concrete pump. The concrete design will include a water reducing agent, air entrainment, and super plasticizer for the placement.

Dasher Inserts – Rink-Tec will furnish the necessary dasher-board inserts so the boards can be installed on the refrigerated slab versus the perimeter.

Expansion Joint - This section consists of all the materials that make up the expansion joint which separates the refrigerated ice rink concrete from the outer perimeter concrete.

Chiller System – Rink-Tec will provide a used 170-ton air cooled refrigeration system complete with pumps and connection piping.

It will provide 170 tons with a design flow rate of 900 GPM. The unit comes charged with R134A. A complete charge of inhibited ethylene glycol with deionized water will be provided.

All connection piping will be Schedule 40 Steel pipe and fittings for the glycol piping and will include all necessary pipe hangers and necessary supports. All new glycol piping will be insulated with Styro insulation, complete with vapor barrier and sheet metal cover.

The **price** for all materials listed above for a complete concrete floor installation and outdoor refrigeration system is **\$1,138,935.00**. This quotation includes all necessary labor, freight, and crane work.

Deductive Options -

If GRYHA supplies 1850 pieces of 20' #4 grade 60 rebar, deduct \$12,000.00.

If GRYHA supplies 26 rolls of 6x6x10,10 wire mesh, deduct \$3952.00.

If GRYHA supplies 1200 sheets of 2"x 4'x 8' 25psi extruded insulation, deduct \$38,000.00.

If GRYHA supplies 800 tons of granular sand, deduct \$12,000.00.

If GRYHA supplies 260 yards of ready mix per mix design, deduct \$37,000.00.
 If GRYHA supplies an electrician to hook up electrical connection to the used chiller and pumps from the disconnect, deduct \$18,000.00.

Volunteer Labor – Rink Tec will use approximately 600 hours of volunteer labor at a \$45.00 per hour labor credit. Rink-Tec will supply a sign in sheet on the jobsite. Each volunteer will sign in before they start work and sign out once they leave. The hours will be tabulated, and a credit given for every hour that is supplied by a volunteer.

To delete the subfloor heating system under the new rink slab, deduct \$15,000.00.

To delete the cast in place dasher anchors and install the boards on the perimeter, deduct \$4,000.00.

For a used YVAA0273 chiller system that will supply 138 tons of cooling capacity, deduct an additional \$42,000.00. This chiller uses R134A and will only require a 600 Amp 480 Volt disconnect. This chiller is approximately 3 years old and comes with a full two-year warranty.

Rink-Tec will provide a complete set of stamped engineered construction drawings by a licensed State of Minnesota Mechanical Engineer. The floor system will carry our standard five-year warranty. The chiller quoted originally will carry a one-year warranty.

Other Items - Other items necessary for a complete installation which are not included are:

- Dasherboards removed prior to rink construction.
- Necessary Site Work to clear the rink area to -14 from finished floor elevation.
- 800 Amp / 480 Volt Electrical service and disconnect withing 10' of refrigeration system pad.
- Concrete Pad for the outdoor refrigeration system as well as screening.
- Any required permits.

I hope this information will be helpful to you. If you need any further information, please contact us.

Yours truly,

Kyle Gillespie

Kyle Gillespie
 Rink-Tec International, Inc



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider adopting a resolution forgiving a certain loan to Itasca County Farm Service Association

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

In June of 2015, the City issued a \$32,000 loan to Itasca County Farm Service Association (ICFSA) for rehabilitation work to their building a 900 NW 4th St. The loan funds distributed came to the City from a MN DEED Small Cities Development Program grant for commercial and residential rehabilitation projects in certain areas of the City.

On August 13, 2021, ICFSA filed for bankruptcy and through that proceeding Deerwood Bank, the holder of a senior mortgage, obtained the property. The Grand Rapids EDA and Deerwood Bank are working together toward conveying the property to GREDA. GREDA has identified the Hwy 2 West corridor as an area of focus in their Work Plan and GREDA's redevelopment of this site would be part of an effort to stimulate improvement and investment in that area.

The intent of this resolution to forgive the City's loan is to clear this obligation from the title, contingent upon the transfer of the property to GREDA.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution forgiving a certain loan to Itasca County Farm Service Association, contingent upon the conveyance to GREDA.

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

RESOLUTION FORGIVING A CERTAIN LOAN TO ITASCA COUNTY FARM SERVICE ASSOCIATION

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

Section 1. City Loan.

1.01. On June 24, 2015, the City issued a \$32,000 loan (the “Improvements Loan”) to Itasca County Farm Service Association, a Minnesota cooperative (the “Farm Co-Op”), for commercial building improvements, which was evidenced by a promissory note and secured by a subordinate mortgage from the Farm Co-Op to the Authority (the “Mortgage”) on the Farm Co-Op’s property located at 900 NW 4th Street in the City of Grand Rapids, Minnesota (the “City”) and legally described in Exhibit A attached hereto (the “Co-Op Property”).

1.02. As of this date, the Improvements Loan is outstanding in the amount of \$45,514 (including accrued interest costs).

1.03. On August 13, 2021, the Farm Co-Op filed for bankruptcy and through the bankruptcy proceedings, Deerwood Bank, a Minnesota banking corporation and the holder of a senior mortgage on the Co-Op Property (“Deerwood Bank”), acquired the Co-Op Property.

Section 2. Co-Op Property Sale.

1.01. Deerwood Bank seeks to sell the Co-Op Property. The Grand Rapids Economic Development Authority (the “Authority”) wishes to purchase the Co-Op Property to curb and reverse growing conditions of blight on and around the Co-Op Property. Deerwood Bank has presented the Authority with a Purchase Agreement (“Agreement”) pursuant to which Deerwood Bank will convey to the Co-Op Property to the Authority via quit claim deed for a purchase price of \$1.00.

1.02. On April 25, 2024, the Board of the Authority (the “Board”) will consider whether the purchase of the Co-Op Property as described in this resolution is in the best interest of the City and its residents for the purpose of furthering the Authority’s economic development and redevelopment objectives.

Section 3. Loan Forgiven; Property Acquisition.

3.01. Following approval of the Agreement by the Board and in connection with the conveyance of the Co-Op Property to the Authority, the City agrees to forgive the Improvements Loan and the related promissory note and release the Mortgage from the Co-Op Property. The City Administrator and Mayor are authorized execute and deliver a release of the Mortgage and any other documents necessary to effectuate the forgiveness of the Improvements Loan.

3.02. The City Administrator, City staff, and City consultants are hereby authorized and directed to take any and all additional steps and actions necessary or convenient in order to accomplish the intent of this resolution.

3.03. Pursuant to Minnesota Statutes, Section 462.356, subd. 2, the City Council, by at least a two-thirds vote of all of its members, finds that the acquisition of the Co-Property by the Authority do not

impact and do not have a relationship to the City’s comprehensive plan; the improvements are consistent with the City’s comprehensive plan; therefore, the City Council dispenses with the requirements of Minnesota Statutes, Section 462.356, subd. 2 relating to planning commission review of the acquisition of the Property by the Authority.

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

Mayor

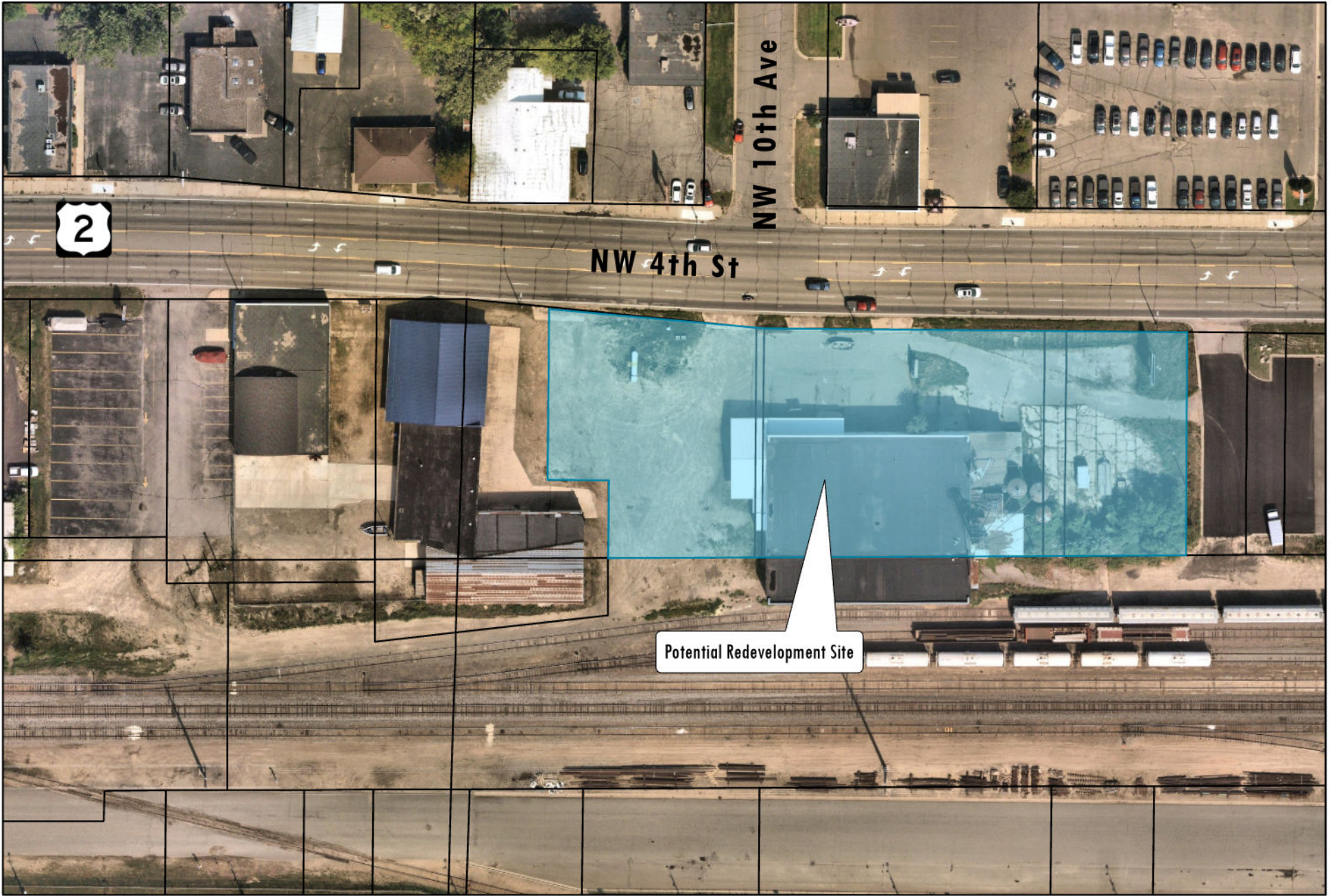
City Clerk

EXHIBIT A**Legal Description of Co-Op Property**

Parcel 1: Lots 1-12, inclusive, Block 26, together with that part of vacated Tenth Avenue West Appertaining thereto, and that portion of the vacated Ninth Avenue West lying East of Block 26, all in Grand Rapids Second Division, Itasca County, Minnesota

Except: The East 25 feet of Lots 1-6, Block 26, Grand Rapids Second Division, Itasca County, Minnesota.

Parcel 2: All of the Eastern 100 feet of Lots 1, 2,3, 4, 5 and 6, Block 25 AND all that portion of the West Half (W1/2) of vacated 10th Avenue West lying between and Easterly extensions of the North and South lines of said Block 25, excepting therefrom all those portions of Lots 5 and 6 of said Block 25 West of a line drawn parallel to and distant 60 feet Westerly of the East line of Block 25 AND except the East 4.72 feet of the West ½ (W1/2) of vacated tenth avenue West lying between the Easterly extension of the North and South lines of said Block 25, Second Division of Grand Rapids



Potential Redevelopment Site

2

NW 10th Ave

NW 4th St





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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider adopting a resolution authorizing the execution and recording of a quit claim deed to correct a parcel overlap issue and authorize land release approval letter.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

During the final review of the title company, prior to the conveyance to SE 7th Ave. Distribution of the 4.3 acre portion of 91-033-1406, property that is currently jointly owned by the City and County, it was discovered that the legal description of the property located directly north, parcel 91-033-1405, which is owned and will be retained by the City and County for the airport creates and overlap that must be corrected to clear up the title to what is being conveyed.

To clear up this parcel overlap, the legal descriptions of the north parcel and the parcel to be sold need to be combined through a combination deed between the City, County and the Developer. Following the recording of this combination deed, the next steps for the City to convey the parcel to be sold to GREDA and GREDA to SE 7th Ave. Distribution can occur.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution authorizing the execution and recording of a quit claim deed to correct a parcel overlap issue and authorize land release approval letter.

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE EXECUTION AND
RECORDING OF A QUIT CLAIM DEED TO CORRECT A
PARCEL OVERLAP ISSUE**

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

Section 1. Recitals.

1.01. The City, together with Itasca County (the “County”) jointly own certain property legally described in Exhibit A attached hereto (the “Sale Property”), which the Grand Rapids Economic Development Authority (the “Authority”), a body corporate and politic organized and existing under the laws of the State of Minnesota, has proposed to acquire from the City and sell to SE 7th Ave Distribution LLC, a Minnesota limited liability company (the “Developer”).

1.02. To the north of the Sale Property, the City, together with the County, jointly own certain property with a Parcel ID Number of 91-033-1405 and legally described in Exhibit B attached hereto (the “North Parcel Property”).

1.03. The Developer owns certain property with Parcel ID Numbers of 91-033-1410 and 91-033-1430 which are located to the west of the North Parcel Property and the Sale Property and are legally described in Exhibit C attached hereto (the “Developer Property”).

1.03. It was discovered that the legal description of the North Parcel Property overlaps with the legal description of the Sale Property. It was also discovered that the legal descriptions of the Developer Property overlap with the legal description of the Sale Property and the North Parcel Property.

1.04 In order to correct the overlaps, the legal descriptions of the North Parcel Property and Sale Property will be combined so that they become one parcel. The legal description that will appear on the deed is set forth in the attached Exhibit D. The City, County, and the Developer will execute a combination deed with this legal description to the City in order to remove any potential ownership interest that the Developer may have with respect to the overlap between the Developer Property and the Sale Property. Then, the City may convey the Sale Property to the Authority who may convey it to the Developer.

Section 2. Transfer Document Approved.

2.01. The City Council hereby approves conveyance of the North Parcel Property and the Sale Property to the City and consents to the Mayor and City Administrator signing a deed from the City, County, and the Developer to the City and County for the North Parcel Property and the Sale Property.

Adopted on _____, 2024 by the City Council of the City of Grand Rapids, Minnesota.

Mayor

City Clerk

EXHIBIT A**LEGAL DESCRIPTION OF THE SALE PROPERTY**

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

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.

PID 91-033-1406

EXHIBIT B**LEGAL DESCRIPTION OF THE NORTH PARCEL PROPERTY**

East Three Hundred Thirty Feet (E. 330') of the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4), LESS the South 30 acres, Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), West of the Fourth Principal Meridian,

AND

East Three Hundred Thirty Feet (E. 330') of the North 10 acres of the South 30 acres of the Southeast Quarter of the Northeast Quarter (SE1/4 NE1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), West of the Fourth Principal Meridian, all according to the government survey thereof, on file and of record in the office of the County Recorder of said county and state.

PID 91-033-1405

EXHIBIT C**LEGAL DESCRIPTIONS OF THE DEVELOPER PROPERTY**

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

PID 91-033-1430

AND

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

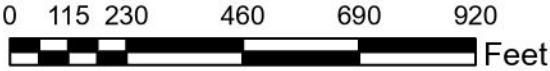
Subject to easements, restrictions, or reservations of record, if any.

PID 91-033-1410

EXHIBIT D

LEGAL DESCRIPTION OF THE PROPERTY TO BE DEEDED

The East 330 feet of the SE ¼ of the NE ¼ of Section 33, Township 55 North, Range 25 West, Itasca County, Minnesota.



(Top 3 inches reserved for recording data)

QUIT CLAIM DEED

DEED TAX DUE: \$1.65
ECRV: NA

DATE: _____, 2024

FOR VALUABLE CONSIDERATION,

(insert name of Grantors)

SE 7th Ave Distribution LLC, a Minnesota limited liability company under the laws of Minnesota, Itasca County, Minnesota a body politic and corporate under the laws of Minnesota, and the City of Grand Rapids, Minnesota, a municipal corporation and political subdivision under the laws of Minnesota ("Grantors"), hereby conveys and quitclaims to **Itasca County, Minnesota a body politic and corporate under the laws of Minnesota, and the City of Grand Rapids, Minnesota, a municipal corporation and political subdivision under the laws of Minnesota** ("Grantees"), real property in **Itasca** County, Minnesota, legally described as follows:

The East 330.00 feet of the Southeast Quarter of the Northeast Quarter of Section 33, Township 55 North, Range 25 West, Itasca County, Minnesota.

Subject to easements, restrictions, or reservations of record, if any.

Check here if all or part of the described real property is Registered (Torrens)

together with all hereditaments and appurtenances.

[Remainder of Page Left Intentionally Blank]

Check applicable box:

- The Seller certifies that the Seller does not know of any wells on the described property.
- A well disclosure certificate accompanies this document (If electronically filed, insert WDC number: _____).
- I am familiar with the property described in this instrument and I certify that the status and number of wells on the described real property have not changed since the last previously filed well disclosure certificate.

SE 7th AVE DISTRIBUTION LLC

By: _____

Its: _____

State of Minnesota, County of ITASCA

This instrument was acknowledged before me on _____, 2024 by _____, as the _____ of the **SE 7th Ave Distribution LLC, a Minnesota limited liability company under the laws of Minnesota**, on behalf of the limited liability company.

Notary Public

ITASCA COUNTY, MINNESOTA

By: _____

Its: Chair _____ -

By: _____

Its: County Administrator _____

State of Minnesota, County of ITASCA

This instrument was acknowledged before me on _____, 2024 by _____ and _____, as the Chair of the Board of Commissioners and the County Administrator, respectively, of the Itasca County, Minnesota, a body corporate and politic organized and existing under the laws of the State of Minnesota, on behalf of the body corporate and politic.

Notary Public

CITY OF GRAND RAPIDS, MINNESOTA

By: _____

Its: Mayor

By: _____

Its: City Administrator

State of Minnesota, County of ITASCA

This instrument was acknowledged before me on _____, 2024 by _____ and _____, as the Mayor and the City Administrator, respectively, of the City of Grand Rapids, Minnesota, a municipal corporation and political subdivision organized and existing under the laws of the State of Minnesota, on behalf of the body corporate and politic.

Notary Public

THIS INSTRUMENT WAS DRAFTED BY:
(insert name and address)

Kennedy & Graven, Chartered
150 South Fifth Street, Suite 700
Minneapolis, MN 55402

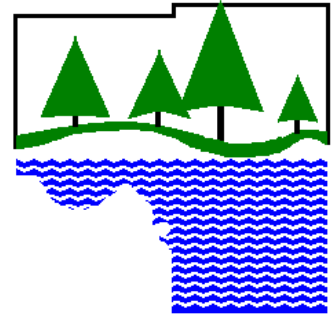
TAX STATEMENTS FOR THE REAL PROPERTY
DESCRIBED IN THIS INSTRUMENT SHOULD BE
SENT TO:

*(insert name and address of Grantee to whom tax
statements should be sent)*

ITASCA COUNTY, MINNESOTA
123 NE 4th Street
Grand Rapids, MN 55744

CITY OF GRAND RAPIDS, MINNESOTA
420 North Pokegama Avenue
Grand Rapids, MN 55744

Itasca County
Auditor/Treasurer
Itasca County Courthouse
123 NE 4th Street
Grand Rapids, MN 55744-2600
Office (218) 327-2847 Fax (218) 327-2848



Date _____

Our tax records indicate that you are the Owner of the following parcels of land in Itasca County

- 91-033-1405
- 91-033-1406

Each parcel represents a separate assessment by the Assessor; a separate tax record, a separate tax statement & a separate receipt. Combining the above parcels into one assessment would reduce the chance of a parcel being overlooked and subsequently becoming delinquent.

With your approval, we will combine the above parcels into one parcel for assessment and tax purposes. You are under no obligation to consent to the consolidation. Feel free to make suggestions relative to the arrangement of the combinations.

Combination of parcels, however, cannot be completed unless there are no delinquent taxes and current taxes are paid in full.

PROVIDED THIS MEETS WITH YOUR APPROVAL, SIGN ON THE LINE DESIGNATED AND RETURN THIS FORM TO THIS OFFICE.

Please combine the above parcels.

Tasha Connelly, Mayor

Austin M. Rohling
Itasca County
Auditor/Treasurer

Tom Pagel, City Administrator

By _____ Deputy

Phone number _____



U.S. Department
of Transportation
**Federal Aviation
Administration**

Dakota-Minnesota Airports District Office
Bismarck Office
2301 University Drive, Building 23B
Bismarck, ND 58504

Dakota-Minnesota Airports District Office
Minneapolis Office
6020 28th Avenue South, Suite 102
Minneapolis, MN 55450

April 18, 2024

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

**Grand Rapids/Itasca County Airport
Grand Rapids, MN
Release of Aeronautical Use Obligations on Airport Property
Approximately 4.31 Acres**

Dear Mr. Wegwerth,

The Federal Aviation Administration (FAA) received your request dated 09/14/2023 along with subsequent supporting documentation, to allow the Grand Rapids/Itasca County Airport (hereinafter referred to as “sponsor”) to be released of its obligations to maintain as airport property, 4.31 acres, located East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West of the Grand Rapids/Itasca County Airport, Grand Rapids, Minnesota. This land is to be sold for the proposed purpose Industrial Use.

It has been determined that the parcel of land to be released will not be needed for present or foreseeable airport purposes and such release for sale will not materially or adversely affect the use, operation, or maintenance of the airport. The land was purchased with federal funds under the Federal Aid to Airport Program (FAAP) or Airport Development Aid Program (ADAP) under Grant Agreement No. 6-27-0037-02. See enclosed legal description and drawings for specific parcel information.

Chapter 22 of the FAA’s Airport Compliance Manual (Order 5190.6B) discusses the laws, regulations, policies, and procedures pertaining to sponsor requests for a release from federal obligations and land use requirements. Section 22.18 recognizes that over time, land previously acquired by an airport may no longer be needed for aeronautical use. A sponsor may make a request to the FAA for the land to be released from its responsibility to maintain the airport dedicated parcel for its originally intended aeronautical use, thereby making the land available for non-aeronautical use to generate airport revenue.

The environmental implications of the release were evaluated for the planned use. We determined the proposed development qualified for a Categorical Exclusion which was issued by the FAA on 01/04/2024.

Chapter 22 of Order 5190.6B also identifies the need to issue public notice of FAA's intent to release aeronautical property from federal obligations. In accordance with section 47107(h) of Title 49, United States Code, any waiver of the aeronautical land-use assurance requires a Federal Register Notice. The Federal Register Notice was published March 7, 2024. The comment period expired April 5, 2024, with Zero public comments received.

In accordance with this requirement, the sponsor is hereby released from the terms and conditions of all prior grant agreements with the United States of America to maintain as airport property of land described as follows:

East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section
33, Township 55 North, Range 25 West

The airport sponsor shall include the following restrictions in any deed or other conveyance of property interest to others:

- a) The grantor reserves unto itself, its successors, and assigns, for the use and benefit of the public, a right of flight for the passage of aircraft in the airspace above the surface of the real property, together with the right to cause in said airspace such noise as may be inherent in the operation of aircraft, now known or hereafter used, for navigation of or flight in said airspace, and for use of said airspace for landing at, taking off from, or operation from Grand Rapids/Itasca County Airport .
- b) The grantor reserves unto itself, its successors and assigns, for the use and benefit of the public, a right of entry onto the real property herein conveyed to cut, remove, or lower any building, structure, poles, trees, or other object, whether natural or otherwise, of a height in excess of Federal Aviation Regulation (FAR) Part 77 surfaces relating to Airport. This public right shall include the right to mark or light as obstructions to air navigation, any and all buildings, structures, poles, trees, or other object that may at any time project or extend above said surfaces.
- c) The grantee expressly agrees for itself, its successors and assigns that the Property only be used for purposes that are compatible with noise levels of airport operations at Grand Rapids/Itasca County Airport.
- d) The grantee expressly agrees for itself, its successors and assigns, to restrict the height of structures, objects of natural growth, and other obstructions on the property to a height which does not exceed the height requirements set forth in Part 77 of the FAA Regulations, as amended, or any similar regulations which may hereinafter be enacted relating to the Grand Rapids/Itasca County Airport.

- e) The grantee expressly agrees for itself, its successors and assigns, to file a notice consistent with requirements of FAR Part 77 (FAA Form 7460-1) prior to constructing any facility, structure, or other item on said premises.
- f) The grantee expressly agrees for itself, its successors and assigns, to not hereafter use, permit, or suffer use of the land described above in such a manner as to create electrical interference with radio communication between the installation upon the airport and aircraft or as to make it difficult for fliers to distinguish between airport lights and others, or as to impair visibility in the vicinity of the airport, or as otherwise to endanger the landing, taking off, or maneuvering of aircraft.
- g) The grantee expressly agrees for itself, its successors and assigns, to not hereafter use, permit, or suffer use of the land described above in such a manner as to create a potential for attracting birds and other wildlife which may pose a hazard to aircraft.
- h) The grantee expressly agrees for itself, its successors and assigns, to prevent any use of the subject property that would interfere with landing or taking off of aircraft at Grand Rapids/Itasca County Airport or otherwise constitute an airport hazard.

The aforesaid covenants and agreements shall run with the land, as herein described above, for the benefit of the sponsor, its successors and assigns in the ownership/operation of the Grand Rapids/Itasca County Airport.

The Grand Rapids/Itasca County Airport shall deposit the net proceeds of the appraised Fair Market Value (FMV) of \$58,000 from the sale of the above-described property or any other funds received from the purchase agreement into an interest bearing account currently paying the highest interest rate immediately after consummation of the sale, where it shall remain until utilized. Grand Rapids/Itasca County Airport will, by agreement with FAA, commit all revenue generated from the sale to the development, maintenance, and operations of Grand Rapids/Itasca County Airport in conformance with FAA's revenue use policy.

Grand Rapids/Itasca County Airport shall maintain accurate records of funds received from the sale of the subject land and expenditures of the proceeds in accordance with accepted business practices. The records shall be available for inspection by the FAA upon request.

The Airport Layout Plan and Exhibit "A" shall be updated to depict the release and the Exhibit "A" should reference this letter. The Exhibit "A" update shall be submitted to the FAA within 90 days of the date of this letter.

Two copies of this "Letter of Release" are enclosed with this original. If the terms of this "Letter of Release" are satisfactory, it must be accepted by the Sponsor. Such acceptance should be evidenced by execution thereof by an officer of the Sponsor who has been duly authorized to take such action. The executed original release should be returned to this office.

If you have any questions or would like to discuss this information further, please feel welcome to contact Jeremy McLeod at 701-323-7380.

Sincerely,



E. Lindsay Terry
Manager
Dakota-Minnesota Airports District Office Airports District Office

CC:
Ryan Guag, MnDOT Office of Aeronautics

Accepted this _____ day of _____, 2024.

Grand Rapids/Itasca County Airport, Grand Rapids, Minnesota

By _____

Title



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider approving a public sector (master) agreement with Oracle NetSuite for Government for the joint purchase of an ERP cloud-based services and software system and authorize the Mayor to sign necessary agreements.

PREPARED BY: Barb Baird

BACKGROUND:

The City currently uses Municipal Software (Harris Local Government) for accounting software. The City has had this software for over twenty five years and it is COBOL based and very antiquated.

March 2022 the joint ERP replacement team defined steps necessary to move forward. Barb Baird, City Finance Director and Jean Lane, Business Services Manager recommended hiring an external consultant for professional services to guide and assist the City/GRPU ERP team and in April 2022 a contract was approved with the Government Finance Officers Association (GFOA) for professional services for three tasks (1) project planning and management; (2) process analysis/plan of action; and (3) RFP development. GFOA's contract in 2023 assists with the final two tasks (4) system and vendor selection; and (5) contract negotiations.

A joint RFP was released January 6, 2023, and four vendors responded to the RFP. City and GRPU identified important functional themes for the ERP software as: (1) transparency in customer interactions; (2) self-service portals for customers (employees); (3) interface with retained City & GRPU software (Golf Course, utility billing, Laserfiche, AMI, GIS, etc.); (4) automation of critical processes; (5) easy to use, and (6) increased reliability of data.

The joint ERP team received 10 vendor responses, in October 2023, to the RFP. After additional review two vendors were asked to respond to a full RFP process including demonstrations, discovery, and reference checks. Both vendors use Oracle NetSuite as their core financial software. After the evaluation stage, the core ERP team recommended Oracle NetSuite for Government as the vendor for both the City and GRPU.

Upon further financial review and identified efficiencies in operations it was recommended by the joint ERP sponsors to purchase one cloud-based subscription license from Oracle with the City as the parent and GRPU as the child. The City Council will be considering approval of a public service (master) agreement and a five-year cloud service subscription agreement.

For a parent-child license relationship to be effective the ERP joint sponsors determined a written agreement was needed to clearly identify roles and responsibilities. The first step of this written agreement is a MOU to commit to the development of this written agreement between the City and GRPU within six months. The MOU is a separate agenda item for your consideration.

The cost of this ERP project for the City is \$374,214. One-time costs to convert data, develop reports, system processes configured, training, testing, cutover, and stabilization of production and travel cost \$294,808 plus \$79,406 for five-years subscription fees. First year costs are \$268,008 for implementation plus \$26,800 for the City share of the year-one single license fee.

The method of funding the ERP software project will be equipment certificates (debt) issued, later in 2024, jointly for the City and GRPU costs.

RECOMMENDATION:

Make a motion to approve a public sector (master) agreement with Oracle NetSuite for Government for the joint purchase of an ERP cloud-based services and software system and authorize the Mayor to sign necessary agreements.



ORDERING DOCUMENT

Oracle America, Inc.
 500 Oracle Parkway
 Redwood Shores, CA
 94065

Name	City of Grand Rapids	Contact	Tasha Connelly
Address	420 N. Pokegama Ave	Phone Number	612 308 8088
	Grand Rapids MN 55744	Email Address	tconnelly@grandrapidsmn.gov

New Subscription

Services Period: 60 months					
Cloud Services	Data Center Region	Quantity	Term	Unit Net Price	Net Fee
B94583 - Oracle NetSuite for Government Cloud Service, Standard Edition - Hosted Environment B94584	NORTH AMERICA	1	60 mo	3,696.00	221,760.00
- Oracle NetSuite for Government Cloud Service, Additional General User - Hosted Named User B94587	NORTH AMERICA	30	60 mo	21.56	38,808.00
- Oracle NetSuite for Government Cloud Service, Additional Planning and Budgeting User - Hosted Named User	NORTH AMERICA	14	60 mo	52.80	44,352.00
B94592 - Oracle NetSuite for Government Cloud Service, Sandbox Environment - Each	NORTH AMERICA	1	60 mo	219.56	13,173.60
B95922 - Oracle NetSuite for Government Cloud Service, Payroll - 5 Employees	NORTH AMERICA	46	60 mo	28.60	78,936.00
Subtotal					397,029.60

Fee Description	Net Fee
Cloud Services Fees	397,029.60
Net Fees	397,029.60
Total Fees	397,029.60

A. Terms of Your Order

1. Applicable Agreement:

a. Public Sector Agreement for Cloud Services US-CSA-CPQ-3201888

2. Cloud Payment Terms:

a. Net 30 days from invoice date

3. Cloud Payment Frequency:

a. Quarterly in Arrears

4. Currency:

a. US Dollars

5. Offer Valid through:

a. 31-MAY-2024

6. Service Specifications

a. The Service Specifications applicable to the Cloud Services and the Consulting/Professional Services ordered may be accessed at <http://www.oracle.com/contracts>.

7. Services Period

a. The Services Period for the Services commences on the date stated in this order. If no date is specified, then the "Cloud Services Start Date" for each Service will be the date that you are issued access that enables you to activate your Services, and the "Consulting/Professional Services Start Date" is the date that Oracle begins performing such services.

B. Additional Order Terms

1. Non-Appropriation

In the event funds are not appropriated for a new fiscal year period, You may terminate this order immediately without penalty or expense; provided, however, that: (a) for each of the 12-month terms of the order, You must provide a purchase order, and (b) Your issuance of each 12-month purchase order shall signify to Oracle that all funds for the given 12-month term have been fully appropriated and encumbered. Notwithstanding the foregoing, You agree to pay for all Services performed by Oracle prior to Oracle's receipt of Your notice of non-appropriation.

2. Annualized Amounts

For informational purposes only, the following provides the estimated annualized amounts for the total net fees specified in the "Fee Description / Net Fees" table above section A for the 60-month Services Period of this order:

Year 1 \$79,405.92
 Year 2 \$79,405.92
 Year 3 \$79,405.92
 Year 4 \$79,405.92
 Year 5 \$79,405.92

3. Option Renewal Period

You shall have the option to renew the same services listed in the table above section A at the same usage limits for one (1) additional 36-month renewal period ("Option Renewal Period") for the total net fee of \$262,843.52, which shall be the sum of the following annual amounts, by executing an ordering document for such renewal:

Option Year 1 \$87,614.51
 Option Year 2 \$87,614.51
 Option Year 3 \$87,614.51

Professional Services are not included in the Option Renewal Period.

The cloud services listed in the tables above section A may not be renewed at the Option Renewal Period pricing specified above if (i) Oracle is no longer making such cloud services generally available to customers, or (ii) You are seeking to cancel or reduce the number of user licenses of the cloud services specified in this ordering document.

C. Modifications to the Agreement -- for purposes of this order only

1. Authorized User

For purposes of this order, You may authorize the entities specified on the attached Authorized User Exhibit (each an "**Authorized User**") to access and use the Cloud Services specified in the tables above section A. Additional entities may be added to the Authorized User Exhibit via mutual written amendment to this order.

Notwithstanding the foregoing, You are responsible for ensuring that the Authorized Users: (a) comply with the terms of this order and the Agreement with regard to the usage rights and limitations of the Cloud Services; (b) acknowledge that Oracle's obligations under this order and the Agreement extend only to You; and (c) have entered into all necessary agreement(s) permitting Your and Authorized User's use and Oracle's processing of any content that is uploaded into the Cloud Services. You shall be responsible for any breach of such terms by the Authorized Users.

2. Metric Definitions

For informational purposes only, the current Oracle NetSuite for Government Cloud Service – Service Descriptions available at oracle.com/contracts provides the following definitions for the metrics applicable to the parts specified in the tables above section A:

Hosted Environment: is the combination of systems and supporting resources to which Oracle grants You access as part of the Services ordered by You, that are (i) configured for the Oracle Programs operating on it and for specific uses as part of the Services, and (ii) used by Oracle to perform the Services. The Hosted Environment consists of the production environment, and any non-production environment(s), as referenced in the applicable ordering document and Services policies.

Hosted Named User: is an individual authorized by You to access the hosted service, regardless of whether the individual is actively accessing the hosted service at any given time. Hosted Named Users may include business network administrators, endorsing trading partners and participating trading partners. General Users, Self Service Users, and Planning and Budgeting Users, each defined herein, are a subset of Hosted Named User with limited access to the hosted service as defined herein.

5 Employees: is a group of 5 Employees (i) all of Your full-time, part-time, temporary employees, and (ii) all of Your agents, contractors and consultants where such agents, contractors and consultants have access to, use of, or are tracked by the Services. The quantity of Employees required is determined by the number of employees and not the actual number of users. In addition, if You elect to outsource any business function(s) to another company, the following must be counted for purposes of determining the number of employees: all of that other company's full-time employees, part-time employees, temporary employees, agents, contractors and consultants that (i) are providing the outsourcing services and (ii) have access to, use of, or are tracked by the Services. 5 Employees are sold as a pack in groups of 5 Employees as defined herein

AUTHORIZED USER EXHIBIT

- Grand Rapids Public Utilities Commission

City of Grand Rapids	
Signature	_____
Name	_____
Title	_____
Signature Date	_____

BILL TO / SHIP TO INFORMATION

Bill To		Ship To	
Customer Name	City of Grand Rapids	Customer Name	City of Grand Rapids
Customer Address	420 N. Pokegama Ave Grand Rapids MN 55744	Customer Address	420 N. Pokegama Ave Grand Rapids MN 55744
Contact Name	Tasha Connelly	Contact Name	Tasha Connelly
Contact Phone	612 308 8088	Contact Phone	612 308 8088
Contact Email	tconnelly@grandrapidsmn.gov	Contact Email	tconnelly@grandrapidsmn.gov



PUBLIC SECTOR AGREEMENT FOR ORACLE CLOUD SERVICES

The text of this Agreement differs from Oracle's standard Oracle Cloud Services Agreement.

This Public Sector Agreement for Oracle Cloud Services (this "Agreement") is between Oracle America, Inc. ("Oracle," "we," "us," or "our") and the entity that has executed this Agreement as identified in the signature block below ("You" or "Your"). This Agreement sets forth the terms and conditions that govern orders placed under this Agreement.

The entities specified in the attached Authorized Contract Users Exhibit (each an "Authorized Contract User") may also order Products and Service Offerings under the Agreement by entering into an order, signed by such Authorized Contract User and Oracle, and agreeing to be bound by the terms of the Agreement and such order. For purposes of such order, "You" and "Your", as used in such order and the Agreement, shall be deemed to refer to the Authorized Contract User executing such order. Subject to Oracle's consent, the City of Grand Rapids, may add additional Authorized Contract User(s) to the attached Authorized Contract Users Exhibit through a written amendment to this Agreement.

1. USE OF THE SERVICES

1.1. We will make the Oracle services listed in Your order (the "Services") available to You pursuant to this Agreement and Your order. Except as otherwise stated in this Agreement or Your order, You have the non-exclusive, worldwide, limited right to use the Services during the period defined in Your order, unless earlier terminated in accordance with this Agreement or Your order (the "Services Period"), solely for Your internal business operations. You may allow Your Users (as defined below) to use the Services for this purpose, and You are responsible for their compliance with this Agreement and Your order.

1.2. The Service Specifications describe and govern the Services. During the Services Period, we may update the Services and Service Specifications to reflect changes in, among other things, laws, regulations, rules, technology, industry practices, patterns of system use, and availability of Third Party Content (as defined below). Oracle updates to the Services or Service Specifications will not materially reduce the level of performance, functionality, security or availability of the Services during the Services Period of Your order.

1.3. You may not, and may not cause or permit others to: (a) use the Services to harass any person; cause damage or injury to any person or property; publish any material that is false, defamatory, harassing or obscene; violate privacy rights; promote bigotry, racism, hatred or harm; send unsolicited bulk e-mail, junk mail, spam or chain letters; infringe intellectual or other property rights; sell, manufacture, market and/or distribute any product or service in violation of applicable laws; or otherwise violate applicable laws, ordinances or regulations; (b) perform or disclose any benchmarking or availability testing of the Services, except as permitted in the Service Specifications; (c) perform or disclose any performance or vulnerability testing of the Services without Oracle's prior written approval, except as permitted in the Service Specifications, or perform or disclose network discovery, port and service identification, vulnerability scanning, password cracking or remote access testing of the Services; or (d) use the Services to perform cyber currency or crypto currency mining ((a) through (d) collectively, the "Acceptable Use Policy"). In addition to other rights that we have in this Agreement and Your order, we have the right to take remedial action if the Acceptable Use Policy is violated, and such remedial action may include removing or disabling access to material that violates the policy.

2. FEES AND PAYMENT

2.1. All fees payable are due within 30 days from the invoice date. Once placed, Your order is non-cancelable and the sums paid nonrefundable, except as provided in this Agreement or Your order. You will pay any sales, value-added or other similar taxes imposed by applicable law that we must pay based on the Services You ordered, except for taxes based on our income. Fees for Services listed in an order are exclusive of taxes and expenses, unless expressly stated otherwise in Your order.

2.2. If You exceed the quantity of Services ordered, then You promptly must purchase and pay fees for the excess quantity.

2.3. You understand that You may receive multiple invoices for the Services. Invoices will be submitted to You pursuant to Oracle's Invoicing Standards Policy, available at <https://www.oracle.com/contracts/cloud-services>.

3. OWNERSHIP RIGHTS AND RESTRICTIONS

3.1. You or Your licensors retain all ownership and intellectual property rights in and to Your Content (as defined below). We or our licensors retain all ownership and intellectual property rights in and to the Services, derivative works thereof, and anything developed or delivered by or on behalf of us under this Agreement.

3.2. You may have access to Third Party Content through use of the Services. Unless otherwise stated in Your order, all ownership and intellectual property rights in and to Third Party Content and the use of such content is governed by separate third party terms between You and the third party.

3.3. You have the authority to and do grant us the right to host, use, process, display and transmit Your Content to provide the Services pursuant to and in accordance with this Agreement and Your order. You have sole responsibility for the accuracy, quality, integrity, legality, reliability, and appropriateness of Your Content, and for obtaining all rights related to Your Content required by Oracle to perform the Services.

3.4. Except as permitted by this Agreement or Your order, You may not, and may not cause or permit others to: (a) modify, make derivative works of, disassemble, decompile, reverse engineer, reproduce, republish, download, or copy any part of the Services (including data structures or similar materials produced by programs); (b) access or use the Services to build or support, directly or indirectly, products or services competitive to Oracle; or (c) license, sell, transfer, assign, distribute, outsource, permit timesharing or service bureau use of, commercially exploit, or make available the Services to any third party.

4. NONDISCLOSURE

4.1. By virtue of this Agreement, the parties may disclose to each other information that is confidential ("Confidential Information"). To the extent not prohibited by law, Confidential Information shall be limited to the terms and pricing under this Agreement and Your order, Your Content residing in the Services, and all information clearly identified as confidential at the time of disclosure. This Section 4 (Nondisclosure) does not apply to the extent that confidential information, as defined above, is required to be disclosed by applicable law, including the Minnesota Government Data Practices Act.

4.2. A party's Confidential Information shall not include information that: (a) is or becomes a part of the public domain through no act or omission of the other party; (b) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (c) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (d) is independently developed by the other party.

4.3 Subject to applicable law, each party agrees not to disclose the other party's Confidential Information to any third party other than as set forth in the following sentence for a period of five years from the date of the disclosing party's disclosure of the Confidential Information to the receiving party; however, we will protect the confidentiality of Your Content residing in the Services for as long as such information resides in the Services. Each party may disclose Confidential Information only to those employees, agents or subcontractors who are required to protect it against unauthorized disclosure in a manner no less protective than required under this Agreement, and each party may disclose the other party's Confidential Information in any legal proceeding or to a governmental entity as required by law, in which case, notice of any such required disclosure shall be given to the party whose Confidential information must be disclosed and other party will reasonably cooperate in an effort to seek a protective order or otherwise contest such required disclosure.

4.4 The parties acknowledge and agree that You and this Agreement are subject to applicable freedom of information or open records laws, including the Minnesota Government Data Practices Act, Minnesota Statutes Ch. 13 (the "MGDPA"). Should You receive a request under such law for Oracle's Confidential Information, You agree to give Oracle adequate prior notice of the request and before releasing Oracle's Confidential Information to a third party, in order to allow Oracle sufficient time to seek injunctive relief or other relief against such disclosure.

5. PROTECTION OF YOUR CONTENT

5.1. In order to protect Your Content provided to Oracle as part of the provision of the Services, Oracle will comply with the applicable administrative, physical, technical and other safeguards, and other applicable aspects of system and content management, available at <https://www.oracle.com/contracts/cloud-services>.

5.2. To the extent Your Content includes Personal Information (as that term is defined in the applicable data privacy policies and the Data Processing Agreement (as defined below)), Oracle will furthermore comply with the following:

- a. the relevant Oracle privacy policies applicable to the Services, available at <http://www.oracle.com/us/legal/privacy/overview/index.html>; and
- b. the applicable version of the Data Processing Agreement for Oracle Services (the "Data Processing Agreement"), unless stated otherwise in Your order. The version of the Data Processing Agreement applicable to Your order (i) is available at <https://www.oracle.com/contracts/cloud-services> and is incorporated herein by reference, and (ii) will remain in force during the Services Period of Your order. In the event of any conflict between the terms of the Data Processing Agreement and the terms of the Service Specifications (including any applicable Oracle privacy policies), the terms of the Data Processing Agreement shall take precedence.

5.3. Without prejudice to Sections 5.1 and 5.2 above, You are responsible for (a) any required notices, consents and/or authorizations related to Your provision of, and our processing of, Your Content (including any Personal Information) as part of the Services, (b) any security vulnerabilities, and the consequences of such vulnerabilities, arising from Your Content, including any viruses, Trojan horses, worms or other harmful programming routines contained in Your Content, and (c) any use by You or Your Users of the Services in a manner that is inconsistent with the terms of this Agreement and/or Your order. To the extent You disclose or transmit Your Content to a third party, we are no longer responsible for the security or confidentiality of such content outside of Oracle's control.

5.4. Unless otherwise specified in Your order (including in the Service Specifications), Your Content may not include any data that imposes specific data security, data protection, or regulatory obligations on Oracle in addition to or different from those specified in the Data Processing Agreement, Service Specifications or this Agreement. If Your Content includes any of the foregoing data (e.g., certain regulated health or payment card information), Oracle will process such data only pursuant to the terms of Your order, the Data Processing Agreement, Service Specifications and this Agreement. You are responsible for complying with Your specific regulatory, legal or data security obligations which may apply to such data. If available for the Services, You may purchase additional services from us (e.g., Oracle Payment Card Industry Compliance Services) designed to address specific data security, data protection or regulatory requirements applicable to such data.

6. WARRANTIES, DISCLAIMERS AND EXCLUSIVE REMEDIES

6.1. Each party represents that it has validly entered into this Agreement and that it has the power and authority to do so. We warrant that during the Services Period we will perform the Services using commercially reasonable care and skill and in all material respects as described in the Service Specifications (the "Services Warranty"). If the Services provided to You were not performed as warranted, You must promptly provide us with a written notice that describes the deficiency in the Services (including, as applicable, the service request number notifying us of the deficiency in the Services).

6.2. WE DO NOT WARRANT THAT THE SERVICES WILL BE PERFORMED ERROR-FREE OR UNINTERRUPTED, THAT WE WILL CORRECT ALL SERVICES ERRORS, OR THAT THE SERVICES WILL MEET YOUR REQUIREMENTS OR EXPECTATIONS. WE ARE NOT RESPONSIBLE FOR ANY ISSUES RELATED TO THE PERFORMANCE, OPERATION OR SECURITY OF THE SERVICES THAT ARISE FROM YOUR CONTENT OR THIRD PARTY CONTENT OR SERVICES PROVIDED BY THIRD PARTIES.

6.3. FOR ANY BREACH OF THE SERVICES WARRANTY, YOUR EXCLUSIVE REMEDY AND OUR ENTIRE LIABILITY SHALL BE THE CORRECTION OF THE DEFICIENT SERVICES THAT CAUSED THE BREACH OF WARRANTY, OR, IF WE CANNOT SUBSTANTIALLY CORRECT THE DEFICIENCY IN A COMMERCIALY REASONABLE MANNER, YOU MAY END THE DEFICIENT SERVICES AND WE WILL REFUND TO YOU THE FEES PAID TO THE DEFICIENT SERVICES FOR THE PERIOD OF TIME DURING WHICH THE SERVICES WERE DEFICIENT, ANY APPLICABLE PREPAID FEES.

6.4. TO THE EXTENT NOT PROHIBITED BY LAW, THESE WARRANTIES ARE EXCLUSIVE AND THERE ARE NO OTHER EXPRESS OR IMPLIED WARRANTIES OR CONDITIONS, INCLUDING FOR SOFTWARE, HARDWARE, SYSTEMS, NETWORKS OR ENVIRONMENTS OR FOR MERCHANTABILITY, SATISFACTORY

QUALITY AND FITNESS FOR A PARTICULAR PURPOSE.

7. LIMITATION OF LIABILITY

7.1. IN NO EVENT WILL EITHER PARTY OR ITS AFFILIATES BE LIABLE FOR ANY INDIRECT, CONSEQUENTIAL, INCIDENTAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES, OR ANY LOSS OF REVENUE, PROFITS (EXCLUDING FEES UNDER THIS AGREEMENT), SALES, DATA, DATA USE, GOODWILL, OR REPUTATION.

7.2. EXCEPT FOR EACH PARTY'S INDEMNIFICATION OBLIGATIONS UNDER THIS AGREEMENT INCLUDING ORACLE'S INTELLECTUAL PROPERTY INFRINGEMENT INDEMNIFICATION OBLIGATIONS, YOUR PAYMENT OBLIGATIONS UNDER THIS AGREEMENT, AND EACH PARTY'S VIOLATION OF THE OTHER PARTY'S PATENT RIGHTS AND COPYRIGHTS, IN NO EVENT SHALL THE AGGREGATE LIABILITY OF EACH PARTY AND ITS AFFILIATES ARISING OUT OF OR RELATED TO THIS AGREEMENT OR YOUR ORDER, WHETHER IN CONTRACT, TORT, OR OTHERWISE, EXCEED THE TOTAL AMOUNTS ACTUALLY PAID UNDER YOUR ORDER FOR THE ORACLE PRODUCTS OR SERVICES GIVING RISE TO THE LIABILITY DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE DATE OF THE EVENT GIVING RISE TO SUCH LIABILITY.

7.3. Section 7.2 will not apply to limit (a) a party's liability for reckless misconduct, gross negligence, willful misconduct and/or fraud and (b) the intellectual property infringement indemnification obligations under Section 8.

8. INDEMNIFICATION

If a third party makes a claim against either You or Oracle ("Recipient," which may refer to You or us, depending upon which party received the Material), that any information, design, specification, instruction, software, service, data, hardware, or material (collectively, "Material") furnished by either You or us ("Provider," which may refer to You or us depending on which party provided the Material) infringes the third party's intellectual property rights, the Provider, at the Provider's sole cost and expense, will, to the extent not prohibited by law, defend the Recipient against the claim and indemnify the Recipient from the damages, liabilities, costs and expenses awarded by the court to the third party claiming infringement or the settlement agreed to by the Provider, if the Recipient does the following:

- a. notifies the Provider promptly in writing, not later than 30 days after the Recipient receives notice of the claim (or sooner if required by applicable law);
- b. gives the Provider sole control of the defense and any settlement negotiations to the extent permitted by law; and
- c. gives the Provider the information, authority and assistance the Provider needs to defend against or settle the claim.

8.1. If the Provider believes or it is determined that any of the Material may have violated a third party's intellectual property rights, the Provider may choose to either modify the Material to be non-infringing (while substantially preserving its utility or functionality) or obtain a license to allow for continued use, or if these alternatives are not commercially reasonable, the Provider may end the license for, and require return of, the applicable Material and refund any unused, prepaid fees the Recipient may have paid to the other party for such Material. If such return materially affects our ability to meet obligations under the relevant order, then we may, upon 30 days' prior written notice, terminate the order and refund any unused, prepaid fees for the Services under the terminated order. If such Material is third party technology and the terms of the third party license do not allow us to terminate the license, then we may, upon 30 days' prior written notice, end the Services associated with such Material and refund any unused, prepaid fees for such Services.

8.2. The Provider will not indemnify the Recipient if the Recipient (a) alters the Material or uses it outside the scope of use identified in the Provider's user or program documentation or Service Specifications, or (b) uses a version of the Material which has been superseded (and the Recipient has been notified in writing of the new version), if the infringement claim could have been avoided by using an unaltered current version of the Material which was made available to the Recipient. The Provider will not indemnify the Recipient to the extent that an infringement claim is based upon any material not furnished by the Provider. We will not indemnify You to the extent that an infringement claim is based on Third Party Content or any material from a third party portal or other external source that is accessible or made available to You within or by the Services (e.g., a social media post from a third party blog or forum, a third party web page accessed via a hyperlink, marketing data from third party data providers, etc.).

8.3. This Section 8 provides the parties' exclusive remedy for any claims or damages under Section 8.1.

9. TERM AND TERMINATION

9.1. Unless this Agreement is terminated earlier, You may place orders governed by this Agreement for a period of five years from the date You accept this Agreement. Even if terminated, this Agreement will continue to govern any order for the duration of the Services Period of such order.

9.2. Services shall be provided for the Services Period defined in Your order. Notwithstanding anything to the contrary in the Service Specifications, the Services You order will not be automatically renewed.

9.3. We may suspend Your and/or Your Users' access to, or use of, the Services if we believe that (a) there is a significant threat to the functionality, security, integrity, or availability of the Services or any content, data, or applications in the Services; (b) You or Your Users are accessing or using the Services to commit an illegal act; (c) there is a violation of the Acceptable Use Policy; or (d) You provided false account or payment information or Your digital payment method is refused. When reasonably practicable and lawfully permitted, we will provide You with advance notice of any such suspension. For Services with the applicable operational capability, Oracle will use reasonable efforts to limit any suspension only to the portion of the Services related to the issue causing suspension. We will use reasonable efforts to re-establish the Services promptly after we determine that the issue causing the suspension has been resolved. During any suspension period, we will make Your Content (as it existed on the suspension date) available to You. Any suspension under this Section shall not excuse You from Your payment obligations.

9.4. If either of us breaches a material term of this Agreement or any order and fails to correct the breach within 30 days of written specification of the breach (provided in accordance with Section 16.1 below), then the breaching party is in default and the non-breaching party may terminate (a) in the case of breach of any order, the order under which the breach occurred; or (b) in the case of breach of this Agreement, this Agreement and any orders that have been placed under this Agreement. If we terminate any orders as specified in the preceding sentence, You must pay within 30 days all amounts that have accrued prior to such termination, as well as all sums remaining unpaid for the terminated order(s) plus related taxes and expenses. Except for nonpayment of fees, the non-breaching party may agree in its sole discretion to extend the 30 day period for so long as the breaching party continues reasonable efforts to cure the breach. You agree that if You are in default under this Agreement and/or Your order, You may not use those Services ordered. If Oracle breaches a material term of this Agreement or any order and is in default, then You may terminate the order under which the breach occurred and receive a refund of any prepaid fees for the post-termination period.

9.5 You may terminate this Agreement at any time without cause by giving Oracle 30 days prior written notice of such termination. Termination of the Agreement will not affect orders that are outstanding at the time of termination. Those orders will be performed according to their terms as if this Agreement were still in full force and effect. However, those orders may not be renewed or extended subsequent to termination of this Agreement.

9.6 At the end of the Services Period, we will make Your Content (as it existed at the end of the Services Period) available for retrieval by You during a retrieval period specified in the Service Specifications. Following the retrieval period, and except as may be required by law, we will delete any of Your Content that remains in the Services. Our data deletion practices are described in more detail in the Service Specifications.

9.7 Provisions that survive termination or expiration of this Agreement are those relating to limitation of liability, indemnification, payment, ownership rights, nondisclosure, and others which by their nature are intended to survive.

10. THIRD PARTY CONTENT, SERVICES AND WEBSITES

10.1. The Services may enable You to link to, transfer Your Content or Third Party Content to, or otherwise access, third parties' websites, platforms, content, products, services, and information ("Third Party Services"). Oracle does not control and is not responsible for Third Party Content or Third Party Services. You are solely responsible for complying with the terms of access and use of Third Party Services, and if Oracle accesses or uses any Third Party Services on Your behalf to facilitate performance of the Services, You are solely responsible for ensuring that such access and use, including through passwords, credentials or tokens issued or otherwise made available to You, is authorized by the terms of access and use for such services. If You transfer or cause the transfer of

Your Content or Third Party Content from the Services to a Third Party Service or other location, that transfer constitutes a distribution by You and not by Oracle.

10.2. Any Third Party Content we make accessible is provided on an “as-is” and “as available” basis without any warranty of any kind. We disclaim all liabilities arising from or related to Third Party Content.

10.3. You acknowledge that: (a) the nature, type, quality and availability of Third Party Content may change at any time during the Services Period, and (b) features of the Services that interoperate with Third Party Services, such as Facebook™, YouTube™ and Twitter™, etc., depend on the continuing availability of such third parties’ respective application programming interfaces (APIs). We may need to update, change or modify the Services under this Agreement as a result of a change in, or unavailability of, such Third Party Content, Third Party Services or APIs. Any change to Third Party Content, Third Party Services or APIs, including their unavailability, during the Services Period does not affect Your obligations under this Agreement or the applicable order, and You will not be entitled to any refund, credit or other compensation due to any such changes.

11. SERVICE MONITORING, ANALYSES AND ORACLE-PROVIDED SOFTWARE

11.1. We continuously monitor the Services to facilitate Oracle’s operation of the Services; to help resolve Your service requests; to detect and address threats to the functionality, security, integrity, and availability of the Services as well as any content, data, or applications in the Services; and to detect and address illegal acts or violations of the Acceptable Use Policy. Oracle monitoring tools do not collect or store any of Your Content residing in the Services, except as needed for such purposes. Oracle does not monitor, and does not address issues with, non-Oracle software provided by You or any of Your Users that is stored in, or run on or through, the Services. Information collected by Oracle monitoring tools (excluding Your Content) may also be used to assist in managing Oracle’s product and service portfolio, to help Oracle address deficiencies in its product and service offerings, and for license management purposes.

11.2. We may (a) compile statistical and other information related to the performance, operation and use of the Services, and (b) use data from the Services in aggregated form for security and operations management, to create statistical analyses, and for research and development purposes (above clauses (a) and (b) are collectively referred to as “Service Analyses”). We retain all intellectual property rights in Service Analyses.

11.3. We may provide You with the ability to obtain certain Oracle-provided Software (as defined below) for use with the Services. Unless we specify that separate terms will apply to Oracle-provided Software, any Oracle-provided Software is provided as part of the Services and You have the non-exclusive, worldwide, limited right to use, and allow Your Users to use, such Oracle-provided Software, subject to the terms of this Agreement and Your order, solely to facilitate Your authorized use of the Services. Your right to use any Oracle-provided Software will terminate upon the earlier of our notice (by web posting or otherwise) or the end of the Services associated with the Oracle-provided Software. Your right to use any part of the Oracle-provided Software that is licensed under the separate terms is not restricted in any way by this Agreement.

12. HARDWARE DEVICES

The terms in this Section 12 (Hardware Devices) only apply to an order which includes a Hardware Device.

12.1. Your order may include a Hardware Device (as defined below), which You may use with the applicable Services as described in the Service Specifications. The terms of this Agreement and Your order (including those terms that refer to Services) govern Hardware Devices, the Operating System and Integrated Software (both as defined below), unless expressly stated otherwise in this Section 12, or if the terms by their nature would be inapplicable to Hardware Devices.

12.2. We provide a limited warranty for Hardware Devices as described in the Oracle Hardware Warranty available at <http://www.oracle.com/contracts/hardware>. Any changes to the Oracle Hardware Warranty will not apply to Hardware Devices ordered prior to such change.

12.3. We provide technical support services for Hardware Devices as described in the Service Specifications and/or Oracle’s Hardware and Systems Support Policies in effect at the time the technical support services are provided (available at <http://www.oracle.com/contracts/hardware>), as applicable.

12.4. With respect to our indemnification for Hardware Devices under Section 8, notwithstanding the provisions of Section 8.2, if we believe or it is determined that the Hardware Device (or portion thereof) may have violated a third party's intellectual property rights, we may choose to either replace or modify the Hardware Device (or portion thereof) to be non-infringing (while substantially preserving its utility or functionality) or obtain a right to allow for continued use, or if these alternatives are not commercially reasonable, we may remove the applicable Hardware Device (or portion thereof) and refund the net book value for the Hardware Device.

12.5. "Hardware Device" is defined as hardware that meets both of the following requirements: (a) the hardware is managed by or used as part of the Services, and (b) the hardware is designated as a Hardware Device by Oracle. Title to Hardware Devices will transfer to You upon delivery to You unless otherwise specified in Your order.

12.6. "Operating System" refers to the software that manages the Hardware Device. You have the right to use the Operating System delivered with the Hardware Device (and any updates acquired through our technical support services) only as incorporated in, and as part of, the Hardware Device and subject to the terms of the license agreement(s) delivered with or on the Hardware Device. Current versions of the license agreements are located in the documentation for the Hardware Device.

12.7. "Integrated Software" refers to any software or programmable code that is embedded or integrated in a Hardware Device and enables the functionality of the Hardware Device. Integrated Software does not include and You do not have rights to (a) code or functionality for diagnostic, maintenance, repair or technical support services; or (b) separately licensed applications, development tools, or system management software or other code that is separately licensed by us or a third party. You have the limited, non-exclusive right to use Integrated Software delivered with a Hardware Device (and any updates acquired through our technical support services) only as incorporated in, and as part of, the Hardware Device and subject to any terms delivered with or on the Hardware Device and/or in the applicable documentation.

12.8. We or our licensors retain all ownership and intellectual property rights in and to the Operating System and Integrated Software. The Hardware Device may contain or require the use of third party technology that is provided with or pre-installed on the Hardware Device. Third party technology is licensed under terms which we may provide to You (i) with or on the Hardware Device, (ii) in the applicable product documentation, (iii) in the readme files, or (iv) in the notice files. Your right to use this third party technology under separate license terms are not restricted in any way by this Agreement. We do not warrant or provide any technical support services for this third party technology.

12.9. The Operating System or Integrated Software may include separate works, identified in a readme file, notice file or the applicable documentation, which are licensed under open source or similar license terms; Your rights to use the Operating System and Integrated Software under such terms are not restricted in any way by this Agreement. The appropriate terms associated with these separate works can be found in the readme files, notice files or in the documentation accompanying the Operating System and Integrated Software. For software (i) that is part of the Operating System or Integrated Software and (ii) that You receive from us in binary form and (iii) that is licensed under an open source license that gives You the right to receive the source code for that binary, You may obtain a copy of the applicable source code from <https://oss.oracle.com/sources/> or <http://www.oracle.com/goto/opensourcecode>. If the source code for the software was not provided to You with the binary, You may also receive a copy of the source code on physical media by submitting a written request pursuant to the instructions in the "Written Offer for Source Code" section of the latter website.

13. EXPORT

13.1. Export control and economic sanctions laws and regulations ("export laws") of the United States and any other relevant local export laws apply to the Oracle Products and Services ordered under this Agreement. Such export laws govern use of the Oracle Products and Services (including technical data) and any Oracle products or services deliverables provided under this Agreement, and You and we each agree to comply with all such export laws (including "deemed export" and "deemed re-export" regulations). You agree that no data, information, software programs and/or materials resulting from the Oracle products or services (or direct product thereof) will be exported, directly or indirectly, in violation of these laws, or will be used for any purpose prohibited by these laws including, without limitation, nuclear, chemical, or biological weapons proliferation, or development of missile technology.

13.2. You acknowledge that the Services are designed with capabilities for You and Your Users to access the Services without regard to geographic location and to transfer or otherwise move Your Content between the

Services and other locations such as User workstations. You are solely responsible for the authorization and management of User accounts across geographic locations, as well as export control and geographic transfer of Your Content.

14. FORCE MAJEURE

Neither You nor we shall be responsible for failure or delay of performance if caused by: an act of war, hostility, or sabotage; act of God; pandemic; electrical, internet, or telecommunication outage that is not caused by the obligated party; government restrictions (including, without limitation, an embargo, economic sanction or the denial or cancelation of any export, import or other license); or other event outside the reasonable control of the obligated party. Both You and we will use reasonable efforts to mitigate the effect of a force majeure event. The affected party shall provide notice to the other party of the force majeure event. If such event continues for more than 30 days, either of You or we may cancel unperformed Services and affected orders upon written agreement. This Section does not excuse either party's obligation to take reasonable steps to follow its normal disaster recovery procedures or Your obligation to pay for the Services.

15. UCITA

The Uniform Computer Information Transactions Act does not apply to this Agreement or to orders placed under it.

16. NOTICE

16.1. Any notice required under this Agreement shall be provided to the other party in writing. If You have a legal dispute with us or if You wish to provide a notice under the Indemnification Section of this Agreement, or if You become subject to insolvency or other similar legal proceedings, You will promptly send written notice to: Oracle America, Inc., 500 Oracle Parkway Redwood Shores, CA 94065, Attention: General Counsel, Legal Department.

16.2. We may give notices applicable to our Services customers by means of a general notice on the Oracle portal for the Services, and notices specific to You (a) by electronic mail to Your e-mail address on record in our account information or (b) by written communication sent by first class mail or pre-paid post to Your address on record in our account information.

16.3. You may register to receive notice of updates to the Oracle Cloud Hosting and Delivery Policies and the Data Processing Agreement (and certain other Service Specifications made available by Oracle) at <http://www.oracle.com/contracts/cloud-services>.

17. ASSIGNMENT

You may not assign this Agreement or give or transfer the Services or any interest in the Services to another individual or entity. Except in the event of a merger, consolidation, acquisition, internal restructuring, divestiture, or sale of all or substantially all of the assets of Oracle, Oracle may not assign this Agreement without Your prior written consent.

18. OTHER

18.1. We are an independent contractor, and each party agrees that no partnership, joint venture, or agency relationship exists between the parties.

18.2. Our business partners and other third parties, including any third parties with which the Services have integrations or that are retained by You to provide consulting services, implementation services or applications that interact with the Services, are independent of Oracle and are not Oracle's agents. Even if recommended by us, we are not liable for, bound by, or responsible for any problems with the Services or Your Content arising due to any acts or omissions of any business partner or third party, unless the business partner or third party is providing Services as our subcontractor or is otherwise engaged by Oracle in connection with performance of its obligations under this Agreement, and, if so, then only to the same extent as we would be responsible for our resources under this Agreement.

18.3. If any term of this Agreement is found to be invalid or unenforceable, the remaining provisions will remain effective and such term shall be replaced with another term consistent with the purpose and intent of this Agreement.

18.4. Except for actions for nonpayment or breach of Oracle's proprietary rights, no action, regardless of form, arising out of or relating to this Agreement may be brought by either party more than two years after the cause of action has accrued.

18.5. Prior to entering into an order governed by this Agreement, You are solely responsible for determining whether the Services meet Your technical, business or regulatory requirements. Oracle will cooperate with Your efforts to determine whether use of the standard Services are consistent with those requirements. Additional fees may apply to any additional work performed by Oracle or changes to the Services. You remain solely responsible for Your regulatory compliance in connection with Your use of the Services.

18.6. Oracle certifies that neither it nor its affiliates are presently debarred or suspended by the United States Federal government, state, or any of the state's departments, commissions, agencies, or political subdivisions.

18.7. This Agreement may be executed in one or more counterparts. Each counterpart will be an original, but all such counterparts will constitute a single instrument. For purposes of this Agreement, a telecopy, electronic, or facsimile Agreement and signature shall be deemed as, and shall serve as, an original Agreement and signature.

18.8. This Agreement shall be governed by the laws of the State of Minnesota.

19. ENTIRE AGREEMENT

19.1. You agree that this Agreement and the information which is incorporated into this Agreement by written reference (including reference to information contained in a URL or referenced policy), together with the applicable order, is the complete agreement for the Oracle Products and Services ordered by You and supersedes all prior or contemporaneous agreements, proposals, negotiations, demonstrations or representations, written or oral, regarding such Oracle Products and Services.

19.2. It is expressly agreed that the terms of this Agreement and any Oracle order shall supersede the terms in any purchase order, procurement internet portal, or other similar non-Oracle document, and no terms included in any such purchase order, portal, or other non-Oracle document shall apply to Your order. In the event of any inconsistencies between the terms of an order and the Agreement, the order shall take precedence; however, unless expressly stated otherwise in an order, the terms of the Data Processing Agreement shall take precedence over any inconsistent terms in an order. This Agreement and orders hereunder may not be modified and the rights and restrictions may not be altered or waived except in a writing signed or accepted online by authorized representatives of You and of Oracle; however, Oracle may update the Service Specifications, including by posting updated documents on Oracle's websites. No third party beneficiary relationships are created by this Agreement.

20. AGREEMENT DEFINITIONS

20.1. "**Oracle-provided Software**" means any software agent, application or tool that Oracle makes available to You specifically for purposes of facilitating Your access to, operation of, and/or use with, the Services.

20.2. "**Program Documentation**" refers to the user manuals, help windows, readme files for the Services and any Oracle-provided Software. You may access the documentation online at <http://oracle.com/contracts> or such other address specified by Oracle.

20.3. "**Service Specifications**" means the following documents, as applicable to the Services under Your order: (a) the Oracle Cloud Hosting and Delivery Policies, the Program Documentation, the Oracle service descriptions, and the Oracle Corporate Security Practices; (b) Oracle's privacy policies; and (c) any other Oracle documents that are referenced in or incorporated into Your order. The following do not apply to any non-Cloud Oracle service offerings acquired under Your order, such as professional services: the Oracle Cloud Hosting and Delivery Policies and Program Documentation. The following do not apply to any Oracle-provided Software: the Oracle Cloud Hosting and Delivery Policies.

20.4. **“Third Party Content”** means all software, data, text, images, audio, video, photographs and other content and material, in any format, that are obtained or derived from third party sources outside of Oracle that You may access through, within, or in conjunction with Your use of, the Services. Examples of Third Party Content include data feeds from social network services, rss feeds from blog posts, Oracle data marketplaces and libraries, dictionaries, and marketing data. Third Party Content includes third-party sourced materials accessed or obtained by Your use of the Services or any Oracle-provided tools.

20.5. **“Users”** means, for Services, those employees, contractors, and end users, as applicable, authorized by You or on Your behalf to use the Services in accordance with this Agreement and Your order. For Services that are specifically designed to allow Your clients, agents, customers, suppliers or other third parties to access the Services to interact with You, such third parties will be considered “Users” subject to the terms of this Agreement and Your order.

20.6. **“Your Content”** means all software, data (including Personal Information), text, images, audio, video, photographs, non-Oracle or third party applications, and other content and material, in any format, provided by You or any of Your Users that is stored in, or run on or through, the Services. Services under this Agreement, Oracle-provided Software, other Oracle Products and Services, and Oracle intellectual property, and all derivative works thereof, do not fall within the meaning of the term “Your Content.” Your Content includes any Third Party Content that is brought by You into the Services by Your use of the Services or any Oracle-provided tools.

21. CLOUD SERVICES AGREEMENT EFFECTIVE DATE

The Effective Date of this Cloud Services Agreement is _____. (DATE TO BE COMPLETED BY ORACLE)

THE REMAINDER OF THIS PAGE IS INTENTIONALLY LEFT BLANK. THE SIGNATURE BLOCK FOR THIS AGREEMENT FOLLOWS IMMEDIATELY ON THE NEXT PAGE.

City of Grand Rapids

Oracle America, Inc.

Authorized Signature: _____

Authorized Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Signature Date: _____

Signature Date: _____

Agreement No.: US-CSA-CPQ-3201888

AUTHORIZED USER EXHIBIT

Grand Rapids Public Utilities Commission


**PROFESSIONAL SERVICES
ORDERING DOCUMENT**
Ordering Document Number: US-16430203

Oracle America, Inc. 500 Oracle Parkway Redwood Shores, CA 94065	Your Name: City of Grand Rapids Your Address: 420 N. Pokegama Avenue Grand Rapids, MN 55744
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Oracle Representative: Matt Sorrell	Your Billing Contact: Tasha Connelly
Address: 2300 Oracle Way Austin, TX 78741	Address: 420 N. Pokegama Avenue Grand Rapids, MN 55744
Phone Number: 262-385-8474	Phone Number: 612-308-8088
Email Address: matt.sorrell@oracle.com	Email Address: tconnelly@grandrapidsmn.gov

You have ordered the Services listed in the table below and detailed in the attached exhibit(s), which are incorporated herein by reference.

Services	Reference	Fees	Estimated Expenses	Total Fees and Estimated Expenses
Fixed Price Services	Exhibit 1	\$268,008.00	\$26,800.00	\$294,808.00
Total Fees and Estimated Expenses				\$294,808.00

A. TERMS

- Applicable Master Agreement:** This order incorporates by reference the Public Sector Agreement for Oracle Cloud Services (Master Agreement) US-CSA-CPQ-3201888 and all amendments and addenda thereto (collectively, the "Master Agreement"). You acknowledge and agree that the terms and conditions of this order are contingent upon the execution of the Master Agreement by and between You and Oracle. If the parties do not execute the said Master Agreement with this order on or prior to 31-MAY-2024 this order shall be deemed to have no legal effect, even if executed.
- Professional Services Delivery Policies:** The Oracle Professional Services Delivery Policies ("Policies") available at <https://www.oracle.com/a/ocom/docs/corporate/professional-services-delivery-policies.pdf> apply to and are incorporated into this order. The Professional Services Delivery Policies, current as of the ordering document effective date, is attached as a reference hereto.
- Payment Terms:** Net 30 days from invoice date.
- Currency:** US Dollars.
- Offer Valid through:** 31-MAY-2024.
- Service Specifications:** The Service Specifications shall include any exhibit(s) attached to this order (including referenced or incorporated Oracle documents) and the Policies.
- Order of Precedence:** In the event of any inconsistencies, priority shall be established in the following descending order: (a) any exhibit(s) attached to this order; (b) this order; (c) the Policies; and (d) the Master Agreement.
- Rights Granted:** Upon payment, You have the non-exclusive, non-assignable, royalty-free, worldwide, limited right to use the services and anything developed and delivered by Oracle under this order ("services and deliverables") for Your internal business operations. You may allow Your agents and contractors to use the services and deliverables for Your internal business operations, and You are responsible for their compliance in such use. The services and deliverables may be related to Your right to use cloud or hosted/managed services or Products owned

or distributed by Oracle which You acquired under a separate order. The agreement referenced in that order shall govern Your use of such services or Products, and nothing in this order is intended to grant a right to use such services or Products in excess of the terms of that order, such as the services period or number and type of environments specified in a cloud or hosted/managed service order.

You retain all ownership and intellectual property rights to Your confidential and proprietary information that You provide to Oracle under this order.

B. ADDITIONAL ORDER TERMS

1. When services will be performed on-site at customer location in the US, as required by US Department of Labor regulations (20 CFR 655.734), You will allow Oracle to post a notice regarding Oracle H-1B employee(s) at the work site prior to the employee's arrival on-site.

2. Use of Subcontractors.
Notwithstanding anything to the contrary in the Policies, Oracle will not retain any third-party subcontractors to perform the Services on Oracle's behalf unless agreed upon.

3. Dispute Resolution.
In the event of any dispute or disagreement between the parties arising out of or relating to the Master Agreement or this order (the "dispute"), the parties will endeavor to resolve the dispute in accordance with this section. Either party may invoke this section by providing the other party written notice of its decision to do so, including a description of the issues subject to the dispute. Each party will appoint a Vice President to discuss the dispute and no formal proceedings for the judicial resolution of such dispute, except for the seeking of equitable relief, may begin until either Vice President concludes, after a good faith effort to resolve the dispute, that resolution through continued discussion is unlikely. The parties shall refrain from exercising any termination right and shall continue to perform their respective obligations under the Master Agreement and this order while the parties endeavor to resolve the dispute under this section, provided that, any party alleged to be in breach promptly makes good faith efforts to cure the breach and pursue the cure in good faith.

City of Grand Rapids	Oracle America, Inc.
Authorized Signature: _____	Authorized Signature: _____
Name: _____	Name: _____
Title: _____	Title: _____
Signature Date: _____	Signature Date: _____
Ordering Document Effective Date: _____	<i>{to be completed by Oracle}</i>


FIXED PRICE EXHIBIT

Your Name: City of Grand Rapids
Ordering Document Number: US-16430203
Exhibit Number: 1

1. Description of Services and Deliverables.

A. Services.

Oracle will provide the following technical and functional Services related to the cloud enablement of Oracle NetSuite for Government Cloud Service ("NetSuite for Government") (the "Services").

1. Focus Phase:

- a. Conduct one (1) Finance project kick-off workshop for up to two (2) person days for Your project team to review the project governance processes and complete strategy sessions including:
 1. Scope management process;
 2. Risk management process;
 3. Issue management process;
 4. Communications management process;
 5. Configuration management process;
 6. Quality management process;
 7. Review the welcome packet;
 8. Data conversion strategy session;
 9. Integration strategy session; and
 10. Workflow strategy session.
- b. Create and provide an initial Project Work Plan ("Project Work Plan"), which will include the following:
 1. Tasks, estimated start and end dates, and estimated durations;
 2. Assigned resources from You and Oracle;
 3. Known dependencies; and
 4. Review Your Functional Requirements (included as Appendix A) with You, demonstrate NetSuite for Government functionality mapped against Your Functional Requirements, and advise you on the modification of your existing processes based upon generally available standard functionality of the application.
- c. Conduct one (1) human resources ("HR")/payroll business process review session for up to three (3) person days for Your project team to review the following:
 1. Current human resources processes;
 2. Current payroll process;
 3. Changes to process updates;
 4. Data conversion plan; and
 5. Integration plan.

2. Refine Phase:

- a. Conduct up to six (6) "Finance Data Migration Workshops" for up to two (2) hours each for Your project team to review the following processes for the NetSuite for Government:
 1. Chart of accounts ("COA") setup and fund management;
 2. Entity setup;
 3. Account balances;
 4. Historical data;
 5. Current fiscal year data import; and
 6. Fixed assets.
- b. Following the conclusion of the Finance Data Migration Workshops, document and deliver to You the findings of these workshops in the Finance Migration Engagement Report ("Finance Migration Engagement Report") which sets forth a high-level overview of the workshops and resulting action items assigned to their respective owners with due dates, known risks, and status.
- c. Assist with the loading of up to two (2) years of general ledger ("GL")/journal and transactional data.

- d. Conduct up to four (4) "HR/Payroll Data Migration Workshops" for up to two (2) hours each for Your project team to review the following processes for the NetSuite for Government:
 1. System configuration and configuration of HR and payroll table data;
 2. Load employee data;
 3. Data review and clean up; and
 4. Load and test data changes.
 - e. Following the conclusion of the HR/Payroll Data Migration Workshops, document and deliver to You the findings from these workshops in an HR/Payroll Migration Engagement Report ("HR/Payroll Migration Engagement Report") which sets forth a high-level overview of the workshops and resulting action items assigned to their respective owners with due dates, known risks, and status.
 - f. Assist with the loading of up to the current/in-progress calendar year of historical payroll data.
 - g. Conduct up to five (5) "Finance Configuration Workshops" for up to two (2) hours each for Your project team to review the following processes:
 1. System administration;
 2. Planning and budgeting;
 3. Integrations;
 4. Analytics and reports; and
 5. Workflows and automation.
 - h. Following the conclusion of the Finance Configuration Workshops, document and deliver to You the findings from these workshops in a Finance Configuration Engagement Report ("Finance Configuration Engagement Report") which sets forth a high-level overview of the workshops and resulting action items assigned to their respective owners with due dates, known risks, and status.
 - i. Conduct up to four (4) "HR/Payroll Configuration Workshops" for up to two (2) hours each for Your project team to review the following processes:
 1. Timecards;
 2. Payroll calculations;
 3. Analytics workflows and reporting;
 4. Payroll configuration.
 - j. Following the conclusion of the HR/Payroll Configuration Workshops, document and deliver to You the findings from these workshops in a HR/Payroll Configuration Engagement Report ("HR/Payroll Configuration Engagement Report") which sets forth a high-level overview of the workshops and resulting action items assigned to their respective owners with due dates, known risks, and status.
 - k. Configure NetSuite for Government hosted environment based upon the Finance and HR/Payroll Configuration Engagement Reports.
 - l. Provide up to seven and a half (7.5) person days of guidance on configuring comma separated value ("CSV") data file exports from the following third-party applications:
 1. FinnlySport;
 2. GolfNow;
 3. Pharos; and
 4. Zuercher.
 - m. Provide up to thirty-four (34) person days to set up and configure application programming interface ("API") integrations for the following third-party applications:
 - a. SpryPoint Utility Billing;
 - b. CityWorks; and
 - c. LaserFiche.
3. Enable Phase:
- a. Assign prerequisite video trainings from Learning Cloud Support for your project team to complete in advance of the functional training sessions in sections 1.A.3.b and 1.A.3.d.
 - b. Conduct up to four (4) functional training sessions for up to two (2) hours each for Your project team on the NetSuite for Government Finance module.
 - c. Following the conclusion of the Finance functional training sessions, deliver to You the engagement report resulting from these sessions (the "Finance Functional Training Sessions Engagement Report") which sets forth a high-level overview of the training sessions and resulting action items assigned to their respective owners with due dates, known risks, and status.

- d. Conduct up to six (6) functional training sessions for up to two (2) hours each for Your project team on the NetSuite for Government HR/Payroll module.
 - e. Following the conclusion of the HR/Payroll functional training sessions, deliver to You the engagement report resulting from these sessions (the "HR/Payroll Functional Training Sessions Engagement Report") which sets forth a high-level overview of the training sessions and resulting action items assigned to their respective owners with due dates, known risks, and status.
 - f. Provide You a User Acceptance Testing Plan ("User Acceptance Testing Plan") which documents processes, test cases, expected results, status, assigned resources, dates, results, and notes. The Functional Requirements specified in Appendix A (City of Grand Rapids - Functional Requirements) shall be reviewed and aligned to generally available standard functionality and included within the User Acceptance Testing Plan.
 - g. Provide up to four (4) person days over the course of six (6) weeks to assist with Finance user acceptance testing.
 - h. Assist with up to three (3) HR/Payroll parallel tests.
 - i. Following the conclusion of the first round of parallel testing, deliver to You the engagement report resulting from these sessions ("HR/Payroll Parallel Testing Engagement Report"), which sets forth a high-level overview of the parallel results, action items assigned to their respective owners with due dates, known risks, and status.
4. Live-Operate Phase:
- a. Conduct one (1) "Final Data Migration Workshop" for up to two (2) hours to complete final Finance data cutover.
 - b. Following the conclusion of user acceptance testing, provide You a Finance Go-Live Checklist Workbook ("Finance Go-Live Checklist Workbook") which documents and tracks go-live tasks, assigned resources, dates, and results to validate the environment is "Go-Live Ready".
 - c. Provide up to a combined total of eleven (11) person days of consulting post go-live support to be used within the first thirty (30) calendar days immediately following production go-live for the respective module.
 - d. Within five (5) business days immediately following the first thirty (30) calendar days after Finance production go-live, deliver to You the Finance Post Go Live Activity Report ("Finance Post Go Live Activity Report") which documents issues identified during post go-live and correction action/recommended resolution.
 - e. Within five (5) business days immediately following the first thirty (30) calendar days after HR/Payroll production go-live, deliver to You the HR/Payroll Post Go Live Activity Report ("HR/Payroll Post Go Live Activity Report") which documents issues identified during post go-live and correction action/recommended resolution.
 - f. Facilitate the transition from Your implementation team to the NetSuite for Government support team.

B. Deliverables.

No.	Deliverable Name	Deliverable Description
1	Project Work Plan	Delivery to You of the Project Work Plan as described in Section 1.A.1.b above
2	Finance Migration Engagement Report	Delivery to You of the Finance Migration Engagement Report as described in Section 1.A.2.b above
3	HR/Payroll Migration Engagement Report	Delivery to You of the HR/Payroll Migration Engagement Report as described in Section 1.A.2.e above
4	Finance Configuration Engagement Report	Delivery to You of the Finance Configuration Engagement Report as described in Section 1.A.2.h above
5	HR/Payroll Configuration Engagement Report	Delivery to You of the HR/Payroll Configuration Engagement Report as described in Section 1.A.2.j above
6	Finance Functional Training Sessions Engagement Report	Delivery to You of the Finance Functional Training Sessions Engagement Report as described in Section 1.A.3.b above
7	HR/Payroll Functional Training Sessions Engagement Report	Delivery to You of the HR/Payroll Functional Training Sessions Engagement Report") as described in Section 1.A.3.d above

8	User Acceptance Testing Plan	Delivery to You of the User Acceptance Testing Plan as described in Section 1.A.3.e above
9	HR/Payroll Parallel Testing Engagement Report	Delivery to You of the HR/Payroll Parallel Testing Engagement Report as described in Section 1.A.3.h above
10	Finance Go-Live Checklist Workbook	Delivery to You of the Finance Go-Live Checklist Workbook as described in Section 1.A.4.b above
11	Finance Post Go Live Activity Report	Delivery to You of the Finance Post Go Live Activity Report as described in Section 1.A.4.d above
12	HR/Payroll Post Go Live Activity Report	Delivery to You of the HR/Payroll Post Go Live Activity Report as described in Section 1.A.4.e above

2. Acceptance of Deliverables. Upon completion of any deliverable set forth in Section 1.B above, Oracle shall provide a copy to You and demonstrate that the deliverable conforms to its description upon Your request. You shall have ten (10) business days after Oracle's submission of a deliverable ("acceptance period") to provide written notice of acceptance or rejection. Failure to provide such notice within an acceptance period shall cause a deliverable to be deemed accepted. If your written acceptance or rejection has not been received by Oracle within five (5) business days of the start of the acceptance period, Oracle will send a follow-up email as a reminder of the outstanding acceptance. If You reject a deliverable, You must specify the deficiencies in detail in the written notice. Oracle will use reasonable efforts at no cost to You to promptly cure any such deficiencies, and You shall have a new acceptance period to provide written notice of acceptance or rejection.

3. Fees, Expenses, and Taxes.

A. You agree to pay Oracle the fee specified below for the Services and deliverables subject to acceptance pursuant to Section 2 (Acceptance of Deliverables). This fee does not include expenses. Once a deliverable is accepted, or deemed accepted, in accordance with Section 2 (Acceptance of Deliverables) above, the corresponding fee for such deliverable specified below becomes due and payable and Oracle shall thereafter invoice, and You shall pay, such fee; this payment obligation shall become non-cancelable and the sum paid non-refundable on such acceptance date, in accordance with the applicable payment terms in the Master Agreement and except as may otherwise be provided in the Master Agreement.

Deliverable No.	Deliverable Name	Deliverable Fee
1	Project Work Plan	\$26,800.80
2	Finance Migration Engagement Report	\$26,800.80
3	HR/Payroll Migration Engagement Report	\$26,800.80
4	Finance Configuration Engagement Report	\$21,440.64
5	HR/Payroll Configuration Engagement Report	\$16,080.48
6	Finance Functional Training Sessions Engagement Report	\$21,440.64
7	HR/Payroll Functional Training Sessions Engagement Report	\$26,800.80
8	User Acceptance Testing Plan	\$21,440.64
9	HR/Payroll Parallel Testing Engagement Report	\$21,440.64
10	Finance Go-Live Checklist Workbook	\$16,080.48
11	Finance Post Go Live Activity Report	\$16,080.48
12	HR/Payroll Post Go Live Activity Report	\$26,800.80
Total Fixed Fee		\$ 268,008.00

Any expenses will be invoiced monthly.

B. Expenses.

Oracle and You agree that expenses under this exhibit shall not exceed \$26,800.00. You acknowledge that such not-to-exceed amount: (i) shall only apply to expenses incurred by Oracle in the course of performing the Services as of the ordering document effective date; (ii) shall not apply if Oracle is unable to perform the Services due to Your failure to provide cooperation; (iii) shall be adjusted to reflect any change in the scope of the Services and associated expenses that is agreed upon in an amendment to the ordering document; and (iv) is exclusive of taxes (e.g., federal, state, local, VAT, compensatory).

4. Project Management.

You and Oracle each agree to designate a project manager who shall work together to facilitate an efficient delivery of the Services. Your project manager shall have the authority to approve Services on Your behalf. Oracle shall have the sole right to exercise direct control and supervision over the work assignments of Oracle resources. Oracle and City of Grand Rapids shall identify senior level resources with ability to make decisions related to the project for an oversight role on the project (Steering Committee). The Steering Committee shall meet in person or virtually at least once per month to discuss project progress, risks, and make decisions on any relevant issues.

Oracle will provide status reports, and You will provide written replies to such reports, at agreed-upon, periodic intervals, with information on progress, schedule, risks, issues, and problems. The project managers will also meet at times and places agreed upon by them to discuss the Services.

5. Your Cooperation.

- A. Prior to the commencement of Services, designate and identify a project sponsor and a project manager that will be responsible for coordinating Your participation in this project and provide on-going support for Your implementation of the NetSuite hosted environment. Responsibilities include but are not limited to:
 1. Provide user feedback during configuration and validation.
 2. Be available as needed during the project to answer Oracle's questions, provide business decisions and other items as required.
 3. Provide on-going support to internal users following the implementation.
- B. Enable administrator access to allow provisioning of Your NetSuite for Government hosted environment prior to the commencement of Services.
- C. Modify Your processes as necessary to align with the standard functionality of NetSuite for Government.
- D. Complete and return the questionnaire in the NetSuite for Government Welcome Packet to Your Oracle project manager prior to the project kick-off workshop.
- E. Make Your existing procedure and business process documentation available to Oracle at least two (2) weeks prior to the Configuration Workshop.
- F. Notify Oracle within a commercially reasonable timeframe about any inaccuracies or incomplete information in project documentation provided by Oracle to You.
- G. You will accept Oracle NetSuite release upgrades.
- H. You will not film or record Oracle's delivery of Services, Oracle resources, or any Oracle materials.
- I. Be responsible for extracting the data from Your legacy system(s), providing it in the format specified by Oracle, and assisting Oracle resources to complete data cleansing and mapping within three (3) weeks from the project kickoff call. Data to be migrated includes the following:
 1. Balances of fully qualified accounts (e.g., Fund-Dept-Obj, and other segments);
 2. All general ledger impacting transactions (trial balance details) are summed and compared by each fully qualified account to the provided balances; no transactions are omitted.
 3. Transaction details such as purchase orders, bills, invoices, credits, voids, adjustments, payments, checks, wires, etc. must identify which general ledger impacting transaction it is associated with. The values of these details are compared to the general ledger impacting transaction totals to validate that no details are omitted.
- J. Provide customer-audited data for data migration, including historical years up through the most recent audited fiscal year.
- K. Validate the final list data and transactional data within two (2) weeks from data upload.
- L. You are responsible for planning, executing, and managing all aspects of end-to-end and final reviews, including preparation and execution of test cases and plans and review of test results.
- M. Ensure that Your designated Learning Cloud Support passholder training attendee(s) are completing any implementation training courses assigned to them by the Oracle team in the timeline specified as mutually agreed by You and received from the Oracle at the start of the implementation.
- N. Develop any necessary end-user documentation, including, but not limited to, documenting specific business practices, data examples and organization/end-user specific policies and procedures.
- O. Implement and maintain the production and consumption of the file-based interfaces with Your existing systems.
- P. Manage the post-production maintenance and support of Your NetSuite for Government hosted environment.

6. Project Assumptions and Definitions.

- A. A person day is defined as one (1) resource working up to eight (8) hours.

- B. Standard functionality is defined as the functionality described in applicable documentation, for the NetSuite for Government application, provided by Oracle.
- C. A finalized dataset for finance is defined as up to one (1) years' worth of historical data containing all the information that You wish to migrate, as validated by Your project team. Modifying the structure of the data can cause delays in the migration process and/or inconsistencies in the final result. This dataset should have all relevant details comprising the debits and credits against each accounting segment that impacts the general ledger. All transaction lines should be rounded to two (2) decimal places while maintaining balanced debits and credits and aligning with balances for each fiscal year. All transaction detail records (e.g., vendor bills, checks, accounts receivable invoices, cash receipts, etc.) must include an associating reference to the general ledger impacting transaction as well its relationship with other detail transactions such as bills-to-purchase orders or checks-to-bills. Subledger transactions details (i.e., subledger project transaction details) should be free of conflicts from their associated general ledger impact transaction.
- D. A finalized dataset for HR is defined as up to one (1) years' worth of employee data containing all employee assignments and table records for the assignments. This will include positions, deductions, benefits, taxes, and demographic information per each individual employee to be migrated over. Modifying the structure of the data can cause delays in the migration process and/or inconsistencies in the final result. All employee data should be verified by Your project team as accurate and associated with the appropriate table definitions for each of the respective areas (i.e., position details, benefit tables, etc.).
- E. Hosted environment is defined as the combination of systems and supporting resources to which Oracle grants You access as part of the Services ordered by You, that are (i) configured for the Oracle Programs operating on it and for specific uses as part of the Services, and (ii) used by Oracle to perform the Services. The hosted environment consists of the production environment, and any non-production environment(s), as referenced in the applicable ordering document and Services policies.
- F. The implementation methodology for the Services is the Oracle True Cloud Method ("TCM").
- G. Data migration includes the loading of up to two (2) fiscal years of GL/journal and transactional data, and up to two (2) calendar years of historical payroll data.
- H. Data provided by Your organization will be validated by the Oracle Local Government implementation team before being loaded into NetSuite for Government. However, any discrepancies or inconsistencies will be returned to You for correction or clarification, up to three (3) revisions. It is recommended that data validation occur prior to submission of the finalized dataset for loading.
- I. Changes to HR and Payroll configuration or finalized datasets for HR and payroll may only be made prior to the first payroll parallel test.
- J. Upon completion of payroll parallel testing, net pay calculated in NetSuite for Government will match net pay in Your legacy application in accordance with the mutually agreed upon specifications.
- K. The amount of time required to import legacy transactions and associated detail is determined by Your ability to provide reconciled data in the format requested. Delays may impact key implementation dates, including Go-Live.
- L. The NetSuite for Government standard chart of accounts segmentation structure will be used as a default segmentation with localization as required.
- M. Except to the extent expressly stated in the Description of Services section of this document, the use of the terms "integrate" and "integration" throughout this document is not intended to mean that Oracle will ensure (i) the physical or functional integration of Oracle products with external legacy systems, third party products and/or other software applications; (ii) the functioning of Oracle products as a coordinated whole with such external legacy systems, third party products and/or other software applications; or (iii) any non-standard integration between Oracle products. Rather, the terms are used to refer to the overall concept of data exchange between the Oracle products and other systems, products or applications identified in this document, and may include interfacing and/or other methods of integration or interoperation as described in the Description of Services section of this document.
- N. The following are not included in the scope of, or fees for, Services under this exhibit:
 1. Performance testing, tuning, or any management of performance.
 2. Testing beyond the activities described in this exhibit.
 3. Customizations to NetSuite for Government.
 4. Oracle Cloud subscription services.
 5. Languages other than U.S. English.
 6. Integrations or data conversions beyond what is explicitly described in this exhibit.
 7. Cloud middleware, database, operating and other hardware activities.
 8. Oracle transactional business intelligence training.
 9. Transformations or data mapping of elements.

10. Additional workforce structures for future use, expansion, or acquisitions.
11. Extensions, customizations, or custom reports.
12. Localizations other than those made to the chart of accounts structure.
13. Post-production Services exceeding eleven (11) total person days, or thirty (30) calendar days after go-live, whichever comes first.
14. Anything not expressly listed in the Description of Services.

Appendix A

City of Grand Rapids - Functional Requirements

Item #	Process	Requirement
1	Asset Acquisition	Allows effective date posting for asset acquisition
2	Asset Acquisition	System identifies potential fixed assets from purchasing module by chart of accounts (example: purchased from capital account)
3	Asset Acquisition	System identifies potential fixed assets from purchasing module manually (user flags purchase as fixed asset)
4	Asset Acquisition	System allows users to identify/classify costs as capitalized costs / non capitalized costs
5	Asset Acquisition	Allows effective date posting for asset acquisition
6	Asset Acquisition	System identifies potential fixed assets from purchasing module by chart of accounts (example: purchased from capital account)
7	Asset Acquisition	System identifies potential fixed assets from purchasing module manually (user flags purchase as fixed asset)
8	Asset Acquisition	System allows users to identify/classify costs as capitalized costs / non capitalized costs
9	Asset Set Up	Asset can have multiple account distributions (including multiple funds)
10	Asset Set Up	System accommodates parent child relationships for assets
11	Asset Set Up	System must link component units (parent/child relationship) whereby each component maintains its own financial and historical information and depreciable life.
12	Asset Set Up	Assets identify custodian for the asset (employee linked to asset) (example: cell phone identifies user)
13	Asset Set Up	Asset can have multiple account distributions (including multiple funds)
14	Asset Set Up	System accommodates parent child relationships for assets
15	Asset Set Up	System must link component units (parent/child relationship) whereby each component maintains its own financial and historical information and depreciable life.
16	Asset Set Up	Asset tracks expiration date of asset
17	Asset Set Up	Assets identify custodian for the asset (employee linked to asset) (example: cell phone identifies user)
18	Asset Tracking	System is used to track capitalized items
19	Asset Tracking	System is used to track non-capitalized items
20	Asset Tracking	System is used to track city owned land
21	Asset Tracking	System is used to track capitalized items
22	Asset Tracking	System is used to track non-capitalized items
23	Asset Tracking	System is used to track city owned land, land improvements, and non-tangible assets (easements)
24	Depreciation	System automatically calculate depreciation in accordance with the depreciation method and convention designated for an asset
25	Depreciation	System can simulate depreciation calculations without being required to post the results
26	Depreciation	System provides the straight line depreciation method
27	Depreciation	System prevents the depreciating of an asset's value below zero
28	Depreciation	System calculates depreciation at the End of Year and/or monthly
29	Depreciation	System can designate some assets as non-depreciable (i.e., land, assets not in use)
30	Depreciation	System automatically calculate depreciation in accordance with the depreciation method and convention designated for an asset
31	Depreciation	System can simulate depreciation calculations without being required to post the results
32	Depreciation	System provides the straight line depreciation method
33	Depreciation	System prevents the depreciating of an asset's value below zero
34	Depreciation	System calculates depreciation at the End of Year
35	Depreciation	System can designate some assets as non-depreciable (i.e., land, assets not in use)
36	Depreciation	System knows if an asset is added after the acquisition date to depreciate the correct amount to catchup to when the asset is added into asset management system.
37	Depreciation	Systems knows if asset is deleted after disposal date to reverse any depreciation posted after disposal date.
38	Disposal	System stores information on disposed assets
39	Disposal	Disposed assets are approved via workflow
40	Disposal	Disposal information is stored in asset record (haz mat material, chemicals)
41	Disposal	System stores information on disposed assets
42	Disposal	Disposed assets are approved via workflow
43	Disposal	Disposal information is stored in asset record (haz mat material, chemicals)
44	Inventory	System flags items below user-defined stock minimums
45	Inventory	System reconciles stock against purchase orders
46	Inventory	System flags items below user-defined stock minimums
47	Inventory	System reconciles stock against purchase orders
48	Inventory	System supports EOY reconciliation of inventorial items
49	Depreciation	System knows if an asset is added after the acquisition date to depreciate the correct amount to catchup to when the asset is added into asset management system.
50	Depreciation	Systems knows if asset is deleted after disposal date to reverse any depreciation posted after disposal date.
51	Depreciation	System knows if an asset is added after the acquisition date to depreciate the correct amount to catchup to when the asset is added into asset management system.
52	Create Receivable	System creates receivable for all general billing
53	Customer File	Single customer master is used for all general receivables in the system
54	Dunning	Penalties can be applied as flat dollar amounts
55	Dunning	Penalties can be applied as percentage of original bills
56	Dunning	System permits write-off of bad debts with workflow approval
57	Dunning	System allows waivers of penalties with workflow approval
58	Dunning	Automatically generate dunning letter (s) based on passage of time (example: 30, 60, 90 days) by AR type
59	Dunning	System to generate letter, with appropriate collection amount, to collection agency after 90 days (need to be able to change collection agency time period for greater th
60	Dunning	System can specify dunning letters by account, customer, project, or account type
61	Dunning	System allows users to adjust penalties and fees applied to invoices with proper approvals (example: reduce penalties for special situation)
62	Dunning	The system provides all billing, aging, and tracking capabilities.
63	General Collections	System can accommodate collection fees by Percentage
64	General Collections	System can accommodate collection fees: by Dollar Amount
65	General Collections	System allows user to assess a penalty for NSF checks
66	General Collections	System can allow for different collections terms. Different due dates and discounts if paid early (2% if paid in 10 days or net in 30 days
67	Miscellaneous Billing	Departments will use system to create bills for various charges
68	Miscellaneous Billing	System accommodates one-time invoices
69	Miscellaneous Billing	System allows users to create invoices for each type by entering dollar amount
70	Miscellaneous Billing	System generates customer account statements
71	Payment Receipt	System records payments against open receivables
72	Payment Receipt	System generates deposit slip for daily bank deposit
73	Payment Receipt	System routes deposit slip for workflow approval
74	Payment Receipt	System applies one payment to multiple receivables (e.g., utilities)
75	Payment Receipt	System allows using multiple payment types to pay for one invoice (example: cash and credit card)
76	Payment Receipt	Automatically generate general ledger distribution entries needed to record receipts
77	Receivable Tracking	System provides receivable tracking and aging reporting capabilities
78	Receivable Tracking	System stores schedule of penalties and interest to apply to open receivables
79	Receivable Tracking	Penalties can be flat fee amounts
80	Receivable Tracking	Penalties can be percentage of original amount
81	Recurring Billing	System accommodates recurring invoices (regular invoices to occur at set dates or duration) (example: rent)

82	Recurring Billing	System allows recurring invoices to be set up to handle invoices scheduled at set dates for same amount (example: rent)
83	Recurring Billing	System allows recurring invoices to be set up to handle invoices scheduled at set dates for different amounts (example: utilities on rental properties)
84	Recurring Billing	System saves templates for generating invoices (different template for each AR type)
85	Position Budgeting	Tracks and reports all budgeted positions
86	Position Budgeting	System can track unfunded and funded positions
87	Position Budgeting	System to track authorized, budgeted, filled positions
88	Position Budgeting	Allows the assignment of an employee to multiple positions across organizational boundaries or funds.
89	Budget Adjustment	System allows departments to propose budget transfers within department authority with workflow approval
90	Budget Adjustment	System provides workflow based on transfer to/from (example: within department/division/fund or between department/division/fund)
91	Budget Adjustment	System provides workflow based on transfer based on within or between budget categories (example: salary/supplies/materials/etc.)
92	Budget Adjustment	System validates and enforces rule that all budget amendments and transfers must balance
93	Budget Control	Budget control (soft and/or hard) can be set at requisition level
94	Budget Development	Department budgets are automatically rolled into organization-wide master budget for reporting
95	Budget Development	System allows budget users to modify all department budget worksheets subject to security roles
96	Budget Development	System allows budget users to roll an existing budget to start/begin the budget development of the following year
97	Budget Development	System maintains history of multiple budget versions for the current year including recommended Budget and revisions to recommended budget, adopted Budget, etc.
98	Budget Development	System allows for past 3 to 5 years of actual revenue and expense with current YTD actuals to download to Excel along with a projected budget column
99	Budget Requests	Budgets preparation system accommodates entering budget detail for departmental budgets (by accounts within a department)
100	Budget Requests	Budgets preparation system accommodates entering budget detail for project budget (over multiple years - up to life of project)
101	Budget Requests	System will allow multiple budget years to be viewed at the same time / screen
102	Budget Requests	Departments enter budget requests through system including requested budget amount
103	Budget Requests	Departments enter budget requests through system including changes/additions/deletions of positions
104	Budget Requests	System supports budgeting for one year and forecasting multiple years
105	Budget Requests	Department budget requests can accommodate 5 year projections for operations and 10 years for capital projects
106	Budget Requests	Departments are able to add narrative at the line-item level for budget requests. Narrative for capital projects
107	Budget Requests	Printing narrative on documents can be optional
108	Budget Requests	Notes stay with specific revision, or iteration
109	Budget Requests	Budget requests (decision packages) can be prioritized
110	Budget Requests	Pre determined budget limit can be calculated as a percentage of previous year adopted budget
111	Capital Budgeting	Capital budgets development uses actual spending and revenue data
112	Capital Budgeting	Project budgets created, roll up to create department capital budget and overall capital improvement plan (CIP)
113	Capital Budgeting	System allows individual capital project budgets created in project module to feed budget module
114	Capital Budgeting	Capital project budgets to roll forward in system after approval (no manual rekeying of capital projects)
115	Personnel Budgeting	System allows users to propose new position in proposed budget
116	Personnel Budgeting	System allows for user to develop budget scenarios for long-term planning and union negotiation purposes which are separate from live historical and adopted budgets
117	Personnel Budgeting	System provides ability to propose changing position status as part of budget development (funded - unfunded positions)
118	Personnel Budgeting	System allows users to propose changes to salary amounts as part of budgeting process
119	Personnel Budgeting	System tracks position vacancies and turnover
120	Capital Planning	System collects data from users to produce Capital Improvement Plan (CIP) document for printing and/or posting online
121	Capital Planning	System is able to generate a Capital Improvement Plan document that includes picture of project.
122	Cash Receipting	System records transactions against receivables
123	Cash Receipting	System allows decentralized collection of payments on any receivable in system
124	Cash Receipting	System interfaces with utility billing system (external 3rd party) to upload detailed utility billing invoices
125	Cash Receipting	System interfaces with the third-party system to upload permit and other billing invoices
126	Cash Receipting	System tracks one central customer file that all invoices are charged against
127	Customer Deposit	System tracks customer deposits and applies charges to deposit amount
128	Customer Deposit	Customer deposits can be applied to customer (available for use on any invoice)
129	Customer Deposit	Customer deposits can be applied to account
130	Customer Deposit	System provides bill through accounts receivable if deposit amount is deficient.
131	Customer Overpayment	System stores overpayment amount on customer accounts and applies to next bill
132	Customer Overpayment	System provides refund to customer account for overpayment through accounts payable or can apply a credit to the customer account
133	Recording Payments	System applies one payment to multiple receivables / point of sale transactions
134	Recording Payments	System allows using multiple payment types to pay for one invoice (example: cash and credit card)
135	Recording Payments	System allows departments to enter daily deposits into system
136	Recording Payments	Reversal of receivable for denied transactions, e.g., bounced checks, denied credit card transactions, etc. and automatically add NSF fees to customer's AR balance,
137	Recording Payments	When processing payment, system provides capability to look up the customer master file by <u>any</u> value in customer file
138	Recording Payments	Apply payments to customer and allow system to determine priority order of invoices based on policy
139	Recording Payments	System generates a receipt to the payee that shows date, time and dollar amount.
140	Recording Payments	System generates bank deposit slip
141	Recording Payments	Produces report listing total of all transactions processed by cashier during shift (z-tape report)
142	Recording Payments	System accepts direct debit online from checking account
143	Recording Payments	The same amount every month (fees)
144	Dashboard	System used to provide management dashboards for GR users including directors, managers, and staff
145	Dashboard	System provides indicators for decision support in dashboard and at system go-live, dashboards are configured to facilitate use
146	Export	System reporting tools provide export to Excel
147	Export	System data can be exported for use in other third party systems
148	Reporting	System used to produce all necessary schedules for City ACFR and standard financial reports – trial balance, income statement, balance sheet, cash flow (using gove
149	Reporting	System used to produce all necessary schedules for regulatory compliance reporting – Department of Revenue for sales tax audit.
150	Reporting	System used to produce monthly financial reports to department managers and quarterly to Council members
151	Interface	Users can import journal entries from spreadsheet (e.g., Microsoft Excel)
152	Interface	Imported transactions from spreadsheets are validated using the same business rules as transactions made in the system
153	Journal Entry	Templated journal entries entered by department users and routed through workflow for review and approval
154	Journal Entry	Journal entries are validated against balancing entries (make sure all entries balance)
155	Journal Entry	System allows creation of a journal entry from previously entered journal entry format (copy journal), by: Line item
156	Journal Entry	System allows users to reverse journal entry with proper security and approvals
157	Journal Entry	System allows to schedule accrual auto-reversals.
158	Journal Entry	Users can attach files for documentation to journal entry
159	Journal Entry	System allows posting of transactions for multiple fiscal years at the same time
160	Journal Entry	Journal transactions can be entered and scheduled using effective dates (e.g., posting does not occur until effective date)
161	Chart of Accounts	System provides chart of account structure with multiple independent segments
162	Chart of Accounts	System provides chart of account structure compliant with FERC reporting requirements. Vendor understands FERC requirements.
163	Chart of Accounts	System provides chart of account structure compliant with the state of Minnesota's recommended structure.
164	Chart of Accounts	Independent chart of account segments are independent of other segments (do not form hierarchical relationship between segments) of different types (fund, org, prog
165	Chart of Accounts	Chart of accounts support multiple segments for org unit
166	Chart of Accounts	Chart of accounts support multiple segments for program/activity
167	Chart of Accounts	Segments of same type (org unit, program/activity, etc) form hierarchical relationship
168	Chart of Accounts	Chart of accounts supports project ledger (sub ledger) for detailed cost tracking
169	Chart of Accounts	General Ledger and project ledger supports alpha numeric accounts
170	Chart of Accounts	Segments of chart of accounts used in acceptable combinations to form full general ledger account
171	Chart of Accounts	System supports segments representing programs that can extend across multiple departments

172 Chart of Accounts	Segments of the Chart of Accounts can be grouped on a user-defined basis into multiple reporting hierarchies
173 Chart of Accounts	System allows reporting at summary level accounts (for example, accounts 5501, 5502, 5503 can be reported together as 5500)
174 Chart of Accounts	System provides short cut key functionality to allow users to not enter full account characters
175 Journal Entry	Journal entries are validated against the chart of account structure for valid accounts
176 Journal Entry	Journal entries are validated against: Available funds (budget check or cash availability check)
177 Notification	Posted journal entries provide notification through workflow
178 Recurring Journal Entry	System provides templates and notifications for recurring journal entries
179 Recurring Journal Entry	System provides templates and notifications for recurring journal entries with the same dollar value
180 Recurring Journal Entry	Recurring journal entries occur at regular frequency (can set start and stop dates)
181 Recurring Journal Entry	System allows journal entries to be scheduled (example: lease/debt schedules)
182 Contract Administration	System can apply purchase orders/requisitions against contracts
183 Contract Administration	System tracks and notifies users of expiring contract via workflow
184 Contract Set Up	Workflow approval process for establishing contract is determined by type of contract
185 Contract Set Up	Workflow approval process for establishing contract is determined by dollar amount
186 Contract Set Up	System allows users to attach files to contract
187 Contract Set Up	System tracks non-purchasing contracts (example: economic development agreements) along with expiration dates
188 End of Year Process	Any open purchase orders at year end can be rolled to next fiscal year
189 End of Year Process	Any open purchase order rolled to next fiscal year can roll associated encumbered budget to next fiscal year as an amendment to the original adopted budget
190 End of Year Process	Any open purchase order can be paid out of old fiscal year in new year prior to old fiscal year close
191 End of Year Process	Closed purchase orders at end of year release encumbrance on budget and contract
192 Project	System offers a project ledger to track detailed project expenses
193 Purchase Order	System allows creation of purchase requisition
194 Purchase Order	System allows creation of purchase order directly (no purchase requisition)
195 Purchase Order	System performs budget check for purchase orders created without requisition
196 Purchase Order	Creation of purchase requisition and/or purchase order creates encumbrance on relevant budget
197 Purchase Order	System provides for approval process for purchase order prior to being sent to vendor
198 Purchase Order	Approval process for purchase order can be routed by dollar amount
199 Purchase Order	System allows for encumbrance of shipping and freight and allows user to add shipping and freight to purchase order
200 Purchase Order	User can attach files to purchase order at header level, files can be individually printed or printed with document
201 Purchase Order	Purchase order sent to vendor through Email
202 Purchase Order	Purchase order sent to vendor through Hard copy (print and mail)
203 Purchase Order	Purchase order identifies originator of PO and contact information
204 Purchase Order	Purchase order prints with default contract terms based on type of purchase and commodity code
205 Purchase Order	System allows purchase orders to be re-sent - System identifies re-printed purchase orders as duplicates
206 Purchasing Cards	System provides automated transfer of information from bank with purchasing card transaction details
207 Purchasing Cards	System allows users to identify correct account for each p-card transaction
208 Purchasing Cards	System allows users to identify correct project (including sub-project) for each p-card transaction
209 Purchasing Cards	System allows users to identify correct purchase order for each p-card transaction
210 Purchasing Cards	System allows users to identify correct vendor for each p-card transaction
211 Purchasing Cards	System provides workflow approval of p-card reconciliation output
212 Project	Can be either operating or capital projects – tracks all types of costs
213 Project	Go to record to find out total costs of projects – end of project and interim "cost to date" display or report
214 Project	System can easily setup projects and templates can be established and used each year for operations and capital projects
215 Project	System can easily close out projects to operations general ledger expense account(s)
216 Project	System can budget/forecast costs of new infrastructure projects
217 Project	System can close out project to capital to fixed assets
218 Project	System can track construction projects in progress
219 Project	System can setup emergency projects quickly
220 Project	System can attach files for documents related to project
221 Project	System updates the project costs immediately upon receiving data from other ERP systems/modules or CityWorks
222 Project	System can track vehicle or equipment usage and value the usage cost as part of project costs (receive data from CityWorks or not on vehicle and/or equipment use for specific project)
223 Project	Work orders (CityWorks) connect to a specific project – either one work order to one project or many work orders to one project
224 Bank Reconciliation	System gets daily bank activity and balances and reconcile to recorded receipts and disbursements
225 Bank Reconciliation	System provides automated features for bank reconciliation
226 Bank Reconciliation	System accommodates reconciliation process that posts in batch or summary of transactions
227 Bank Reconciliation	Process canceled checks from bank file and create list of outstanding checks
228 Bank Reconciliation	System allows deposits to be tagged by a type or category (i.e. location code, merchant account code, etc.)
229 Bank Reconciliation	Create positive pay files for bank for both Payroll and AP checks, vendor verification included
230 Bank Reconciliation	System provides reports for <i>non-cleared</i> reconciliation items (for example: exception report)
231 Bank Reconciliation	System can delineate between ACH payments and paper checks, EFT, etc. (i.e. separate report for each)
232 Bank Reconciliation	System can <i>automatically</i> clear ACH payment batches
233 Cash Management	System provides cash flow forecasts projecting outstanding payable, outstanding receivables, recurring payments, and current position
234 Cash Management	System supports use of pooled cash
235 Cash Receipting	System has interface with other City administrative systems for cashing (i.e. point of sale systems) ties into Utility Billing, Golf Course.
236 Personnel Actions	System tracks training completed.
237 Personnel Actions	System tracks clothing allowance per union contract and other negotiated union contract benefits. Clothing allowance, boot allowance, safety glasses allowance, etc.
238 Employee Master	System maintains employee file for all employees
239 Employee Master	System allows files to be attached to employee file
240 Employee Master	System tracks hire date and service date (first day of actual work)
241 Employee Master	System tracks multiple hire and rehire dates
242 Employee Master	System to provide org chart data by individual, position, department
243 Employee Master	System to track all positions an employee worked (history of all jobs)
244 Employee Master	System tracks positions an employee has currently assigned (can be multiple)
245 General	Regular / Part-time
246 General	Seasonal employee
247 General	Retired
248 General	Volunteers
249 Position Control	One employee can have multiple positions
250 Position Control	Multiple employees can share a single position
251 Position Control	System can set FTE limit for position (not always 1)
252 Position Control	System can set headcount limit for position (not always 1)
253 Position Control	Ability to override salary adjustments outside the allowed salary range based on exceptions (i.e. out of class pay, Y rate, etc.)
254 Position Set Up	System maintains information on job classification and position
255 Position Set Up	Positions are assigned to job classifications
256 Position Set Up	Positions tied to funding source / chart of account information
257 Position Set Up	System allows split funded position (funded from multiple accounts/departments/programs)
258 Position Set Up	System tracks history of all position changes (reclassification)
259 Position Set Up	System maintains position supervisor relationships and creates org chart with the ability to exclude certain positions (i.e. temporary employees)
260 Position Set Up	Each position identified by unique position control number

261	Position Set Up	System allows for position reclassification (moving position to different classification)
262	Position Set Up	Need all classification history changes to be available after a reclassification.
263	Position Set Up	System to report all employees that have held a position
264	Salary Administration	System supports step (longevity) and grade (job classification/type) salary structure
265	Salary Administration	System records hourly rate for every employee
266	Salary Administration	System supports salary range (employee salary falls between min and max)
267	Salary Administration	System supports mass changes for COLA on step grade and/or salary ranges
268	Salary Administration	Changes to salary tables made through effective dating
269	Salary Administration	System tracks history of changes to salary tables
270	Self Service	Employees can use self service to view W-2, including history
271	Self Service	Employees can use self service to view pay stub
272	Self Service	Employees can use self service to view pay history
273	Self Service	Employees can use self service to view leave balances
274	Skills / Licenses / Certification	System tracks employee skills and competency information
275	Check Printing	System support direct deposit for payroll
276	Check Printing	System provides set up to provide direct deposit to multiple bank accounts based on amount and percentage
277	Check Printing	System produces electronic file to multiple banks for direct deposit
278	Check Printing	System support direct deposit for payroll
279	Check Printing	System produces positive pay file to send to bank
280	Deductions	System handles deduction frequency of off cycle pay (on demand)
281	Deductions	System tracks effective dated start and stop dates for benefit deductions
282	Deductions	System tracks limit to deductions by year (System automatically stops taking deduction after limit is reached)
283	Deductions	System will alert and track for employees with net pay less than benefit deductions
284	Deductions	Deductions and garnishments can be prioritized
285	Deductions	System integrates to accounts payable and generates checks for deductions (to pay amount deducted to provider/vendor)
286	Deductions	System automatically calculates deduction adjustments based on date driven changes
287	End of Year Process	System will produce W-2s (and to reprint single W-2)
288	End of Year Process	System will store W-2s
289	End of Year Process	System will produce a report showing FICA wages, by individual, W-2 Plan, and in total
290	End of Year Process	System will produce report to produce all deductions by employee
291	End of Year Process	System will produce pension reporting with electronic file
292	End of Year Process	Calculate accrued payroll based on certain pay codes.
293	End of Year Process	System can calculate old calendar year wage rates for a partial week and the remainder of the week calculate using new calendar year wage rate. Wage rate changes at EOY which has a payroll with old and new wage rates. Ability to change to new rates and complete within one payroll.
294	Exporting	System exports payroll and benefit cost information to project module for job cost accounting.
295	FMLA	System tracks FMLA leave
296	FMLA	System tracks FMLA leave taken on rolling 12 month calendar
297	FMLA	System accommodates forward and backward rolling calendars
298	FMLA	System tracks multiple leave periods (multiple FMLA periods within rolling calendar)
299	FMLA	System allows employees to take FMLA leave and sick leave (or other leave type) at the same time
300	FMLA	System tracks FMLA leave taken intermittently (example: FMLA leave taken every other day of leave period)
301	FMLA	System to track employees that have taken FMLA
302	FMLA	System to track estimated physician return to work date
303	FMLA	System to track when additional physician notes are required
304	FMLA	System allows employees to take FMLA leave and workers comp at the same time
305	FMLA	System to track when the physician approved FMLA and when the employee starts to take FMLA
306	Garnishments	System records garnishments on employee and can accommodate multiple garnishments with priority order
307	Garnishments	Garnishments calculated as percentage of disposable income
308	Garnishments	Garnishments withheld and paid to appropriate agency/organization through accounts payable (integration between garnishment and accounts payable)
309	Holiday Pay	System stores multiple rates for holiday pay depending on pay code
310	Leave Accruals	Leave accruals can be different for employees with different levels of service
311	Leave Accruals	System allows override for employees to be hired with leave (pre-set amount)
312	Leave Accruals	Employees leave accrual rate based on: (earn X hours of leave per pay period)
313	Leave Accruals	Leave earned in hours
314	Leave Accruals	System tracks comp time for employees
315	Leave Accruals	System tracks and manages the Police departments comp time
316	Leave Accruals	Comp time can be earned at rate equal to 1.5 time hours worked (1 hour of overtime worked = 1.5 hours of comp time)
317	Leave Accruals	Earned comp time must be earned as worked
318	Leave Accruals	Balances may be capped at maximum amount at any time
319	Leave Accruals	Balances can be capped at maximum amount at anniversary date
320	Leave Accruals	Balances can be capped at fixed amount
321	Leave Accruals	All leave balances are printed on pay stub
322	Leave Accruals	System allows comp time to be earned up to limit (40 hours) (various limits)
323	Payroll Processing	Payroll process bi-weekly
324	Payroll Processing	Payroll to process off cycle
325	Payroll Processing	Payroll to process monthly pay in same cycle
326	Payroll Processing	System calculates overtime according to FLSA regulations taking into account: Special pays earned
327	Payroll Processing	System calculates overtime according to FLSA regulations taking into account: Different positions worked
328	Payroll Processing	System will run pay, deduction, withheld taxes, and net pay calculations as a "proof" run for review prior to final pay run.
329	Payroll Processing	System will cut special or immediate (on-demand) checks.
330	Payroll Processing	System allows posting new adjustments/corrections for a prior period for tax reporting
331	Salary Administration	System calculates pay to a four decimal points
332	Salary Administration	System supports step (longevity) and grade (job classification/type) salary structure
333	Salary Administration	System alerts when an employee below the minimum salary to the minimum.
334	Self Service	System will provide employee FMLA history
335	Special Pay	System supports rates for special pays, shift differentials, and other ad to pays
336	Special Pay	System calculates add-to-pays and special pay amounts every pay period
337	Special Pay	Special pay/add-to-pay is calculated as flat amount
338	Special Pay	Special pay/add-to-pay is calculated as percentage of eligible pay (identify eligible pay for each special pay by pay code)
339	Special Pay	System to accommodate multiple pay rates and positions during same period



Oracle Professional Services Delivery Policies



Effective Date: April 7, 2023; Version 2.0

These Professional Services Delivery Policies (“Policies”) apply to the consulting services, advanced customer services, and managed services You ordered (“Services”). These Policies do not apply to Oracle Cloud Services. Oracle may update these Policies and the documents referenced herein; however, Oracle updates will not result in a material reduction in the level of performance, functionality, security, or availability of the Services, or in a material increase in the level of Your cooperation, for the duration of Your order.

ON-SITE SERVICES

You and Oracle must agree upon the performance of the Services at one of Your facilities, taking into consideration all applicable laws, regulations, standards, and protocols. If agreed upon, You must provide a safe and healthy workspace for all Oracle resources (e.g., free from recognized hazards that cause, or are likely to cause, serious physical harm or death, and with acceptable ventilation, oxygen concentration and sound levels, and ergonomically correct workstations).

If the performance of on-site Services becomes negatively impacted due to a declared disaster, public health or safety concern, or national or global emergency, Oracle and You shall cooperate in good faith to review such impact and, if necessary, invoke the change control process.

If requested, Oracle resources will obtain a badge to enter Your facilities and comply with Your reasonable physical security and safety policies and procedures while on-site, to the extent they do not violate any applicable law (including privacy laws), place Oracle resources in harm, or require Oracle resources to undergo background checks or other screening (unless set forth in Your order). However, no terms included in any such policies and procedures shall modify the Services, and You shall provide training regarding such policies and procedures as requested.

NETWORK ACCESS

If You and Oracle agree that the Services will be performed remotely, You shall provide remote access to Your systems and environments to enable Oracle to perform such Services, using an Oracle-defined virtual private network, Oracle FastConnect (or similar Oracle technology), or the Oracle Web Conference or other agreed-upon, third-party web conferencing application (collectively, “remote access tools”).

You are responsible for installing the remote access tools prior to the commencement of the Services and maintaining them throughout the Services (e.g., by acquiring any equipment and performing labor) to enable Oracle to perform the Services.

Oracle is not responsible for any network connections or related problems, or for Your failure to provide remote access to Your systems and environments.

THIRD-PARTY COLLABORATION TOOLS

If You and Oracle agree, Oracle will provide You with access to third-party tools (e.g., Confluence or Jira) to promote collaboration related to the Services (each, a “collaboration tool”). Upon such access, You agree to:

- Only use a collaboration tool in connection with the Services, and cease use upon the end of the Services or written notice by Oracle, whichever is earlier.
- Promptly notify Oracle when You authorize an individual to use a collaboration tool and when You revoke such authorization due to reassignment, resignation, or termination.
- Do not store source code or product, security, financial, personal, or production data in a collaboration tool.
- Comply with the terms of service for a collaboration tool; specifically, for Wrike at <https://www.wrike.com/security/terms/>; and for Atlassian (as a “Secondary User”) at <https://www.atlassian.com/legal/software-license-agreement>.

A collaboration tool is offered on an “as is” and “as available” basis without any warranty, express or implied, or indemnity or liability.

YOUR COOPERATION

Oracle’s ability to perform the Services depends upon You providing the cooperation listed below and in Your order and as agreed upon during the Services (collectively, “cooperation”):

1. For Services related to Oracle Cloud Services, obtain and maintain the Oracle Cloud Services under separate contract prior to and during the Services.
2. For all other Services: (a) obtain licenses for all applicable Products under separate contract prior to the commencement of the Services; (b) maintain the properly configured hardware/operating system platform to support the Services; and (c) maintain annual technical support for all such Products with access to software patches and updates made available by Oracle under separate contract during the Services.
3. Provide information, data, and documentation agreed upon for the Services.
4. Allocate agreed-upon functional, technical, and business resources, including from Your third parties, with the skills and knowledge to support the performance of the Services.
5. Provide the rights for Oracle to use, on Your behalf, any agreed-upon third-party products that are part of Your system or used to perform the Services.
6. Provide notices and obtain consents agreed upon for Oracle to perform the Services.

If You fail to provide reasonable cooperation, Oracle will not be responsible for any resulting deficiency in performing the Services.

PRIVACY AND SECURITY

In performing the Services, Oracle will comply with the following documents (which are incorporated herein):

- Oracle Services Privacy Policy, available at <http://www.oracle.com/legal/privacy/services-privacy-policy.html>.
- Oracle Data Processing Agreement for Oracle Services, available at <https://www.oracle.com/corporate/contracts/cloud-services/contracts.html#data-processing>.
- Oracle Corporate Security Practices, available at <https://www.oracle.com/assets/corporate-security-practices-4490843.pdf>.
- Oracle Consulting & Advanced Customer Services Security Practices, available at <https://www.oracle.com/corporate/contracts/consulting/policies.html>.

SUBCONTRACTORS

Oracle may use subcontractors to support its performance of the Services, subject to any applicable terms and conditions in Your Master Agreement or order; provided that Oracle is responsible for its subcontractors' performance to the same extent as its employees' performance.

CHANGE CONTROL PROCESS

All requests for proposed changes to the Services must be in writing, including those related to changes in scope, deliverables, Your cooperation, project assumptions, or any other aspect of Your order.

Oracle shall not be obligated to perform, and You shall not be obligated to pay for, tasks related to any such changes unless agreed upon in an amendment to Your order.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider adopting a resolution accepting an ongoing Purina dog food donation to GRPD Canine Program.

PREPARED BY: Chief Andy Morgan

BACKGROUND:

Grand Rapids Police K9 Murphy is German Shepard assigned K9 Officer Justin Edmundson. This partnership has exceeded department expectations. We have promoted the team's police and community work extensively on multiple media platforms.

Purina Veterinary Consultant Natasha Hilsen has been in contact with K9 Officer Justin Edmundson and has expressed interest in supporting the GRPD K9 program. Purina has graciously agreed to donate dog food to the City of Grand Rapids. This dedication will extend to the working life of Murphy. Partnerships such as this, is greatly needed and appreciated.

Purina Joint Mobility- 25lb bag is valued at \$84.33

Requested council action:

Make a motion to adopt a resolution accepting an ongoing Purina dog food donation to GRPD Canine Program.

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

RESOLUTION NO. 24-

A RESOLUTION ACCEPTING AN ONGOING DONATION OF DOG FOOD FROM PURINA TO THE GRAND RAPIDS POLICE DEPARTMENT’S K-9 PROGRAM

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donation and terms of the donor as follows:

- Purina has graciously agreed to donate dog food to the City of Grand Rapids. This dedication will extend to the working life of Murphy and is greatly needed and appreciated.
- Purina Joint Mobility- 25lb bag is valued at \$84.33

Adopted this 22th day of April, 2024

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider adopting a resolution accepting a donation of \$800.00 from Minnesota Power to purchase medical / AED equipment.

PREPARED BY: Chief Andy Morgan

BACKGROUND:

All your Grand Rapids Police Officers are trained as Emergency Medical Responders (EMR'S) and respond to all medicals within the city limits. We have extensive training for medical emergencies including the use of AED'S (Automated External Defibrillator).

In 2022, Grand Rapids Police Department approached Minnesota Power in search of donations to purchase new Zoll Plus AEDs to replace expiring units. Minnesota Power graciously provided GRPD a monetary donation and an AED unit was purchased.

Knowing there would be continued cost associated with providing medical services as EMRs, Minnesota Power has again graciously donated \$800.00 to the cause. We certainly appreciate Minnesota Power continued partnership

Requested council action:

Make a motion adopting a resolution accepting a donation of \$800.00 from Minnesota Power to purchase medical / AED equipment.

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

RESOLUTION NO. 24-

A RESOLUTION ACCEPTING A DONATION OF \$800.00 FROM MINNESOTA POWER TO THE GRAND RAPIDS’ POLICE DEPARTMENT FOR PURCHASE OF A MEDICAL EQUIPMENT / AED PLUS UNIT SUPPLIES

WHEREAS, Minnesota State Statutes 465.03, states that cities may accept gifts of real or personal property, including money, and use them in accordance with the terms the donor prescribes; and

WHEREAS, every such acceptance shall be by resolution of the governing body adopted by two-thirds majority of its members,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donation and terms of the donor as follows:

- Minnesota Power has donated \$800.00 to the Grand Rapids Police Department for purchase of one Zoll AED Plus units.

Adopted this 22ND day of April, 2024

Tasha Connelly, Mayor

Attest:

Kimberly Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; 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: April 22, 2024

AGENDA ITEM: Conduct a Public Hearing to consider a request submitted by HWY 35 Properties LLC for tax increment financing business assistance.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

Staff will present the attached PowerPoint presentation as background for the Public Hearing.

REQUESTED COUNCIL ACTION:

Conduct a Public Hearing to consider a request submitted by HWY 35 Properties LLC for tax increment financing business assistance.



**Tax Increment Finance (TIF) Business
Assistance Application
Public Hearing**

**HWY 35, LLC
Cannabis Grow and Manufacturing Project**

April 22, 2024



Project Background

- **HWY 35 Properties, LLC of Minneapolis, MN (Developer) filed an application for Business Assistance requesting Tax Increment Financing (TIF) to partially address a financial gap in a proposed redevelopment of the former Ainsworth manufacturing site at 502 W. Co. Rd. 63 in Grand Rapids.**
- **Project Scope – Acquisition of the 135-acre site and existing abandoned industrial buildings, renovation and conversion of 240,000 sq. ft. of the main building, in two equal phases into a cannabis grow and state-of-the-art cannabis extraction (manufacturing) lab.**
- **Project Timeline and Cost – Phase 1 of the project buildout is proposed to begin in the first half of 2024, with occupancy of a portion of Phase 1 in the last half. Phase 2 is expected to begin immediately after with a substantial completion of both Phase by the end of 2026. The estimated total development cost is approximately \$71.1MM, which includes \$28.2MM of equipment.**



Project Background

Map of City Development District



Legend
City Limits/Development District





Project Background





Project Background





Project Background

Project Sources and Uses:

Sources/Revenue:		Uses/Development Costs (Both Phases):	
IRRR Financing	\$10,000,000	Property Acquisition	\$4,500,000
DEED Financing	\$10,000,000	Construction Costs	\$29,971,800
Equity	\$49,148,340	Professional Fees and Permits	\$3,500,000
TIF	\$2,000,000	Equipment	\$28,176,540
		Working Capital	\$5,000,000
Total:	\$71,148,340	Total:	\$71,148,340



Project Background

Current and Future Assessed Value Estimate:

	Base Value (Itasca County Assessor)	Future (Itasca County Assessor)
Land Value (135.0 acres)	\$724,100	\$4,041,879
Building Value	\$1,138,700	\$16,263,615
Total Value	\$1,862,800	\$20,305,494
Annual Property Taxes (Pay 2023 Rate)	\$62,000	\$765,000



Project Background

Jobs and Wages:

- **The HWY 35 project is expected to create approximately 200 full time jobs for each of the two phases of the project.**
- **The current state law requires that these jobs, exclusive of management, be union represented positions.**
- **The base wages for the 400 jobs will range from \$40,000 to \$130,000 annually.**



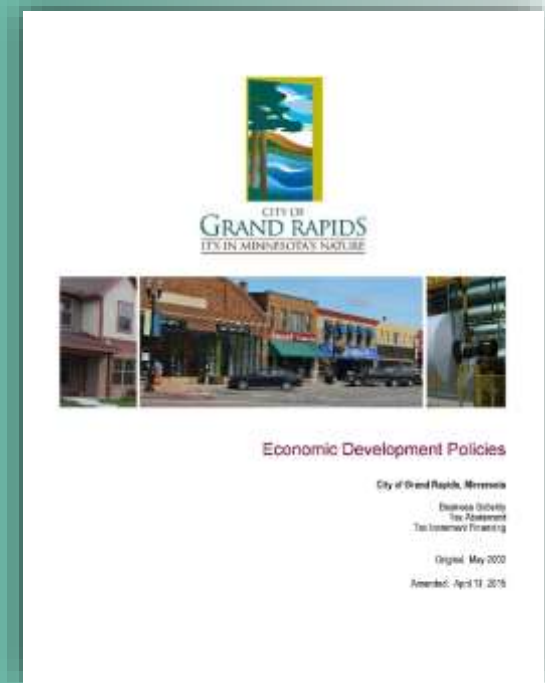
TIF & Abatement Business Assistance

- **The proposed TIF district would be a Redevelopment District which has a maximum term of 26 years.**
 - **Based upon the assumptions within Ehlers projection of revenue from the District, and if it were to be apportioned as most often is with 90% of the increment going to the Developer and 10% being retained by the City for administration of the District, it is estimated that the request of \$2,000,0000 in today's dollars would be captured in 8 years.**
 - **It is proposed by staff, in consultation with the Developer, Ehlers, City Administration and Finance, that the City consider the use of TIF Pooling, which allows a portion of tax increment to be collected for use outside of this TIF district, for other redevelopment projects. The pooling option for this project would be apportion the increment by providing 75% to the Developer, 10 % for the City's administration and 15% in a pooling fund. This will extend the expected term of the District from 8 to 10 years. This would generate approximately \$413K, present value for use on other redevelopment projects.**
- **In Minnesota, TIF can be used for two purposes:**
 - **To finance public infrastructure that is related to the development, or**
 - **To induce or cause a development or redevelopment that otherwise would not occur. (The economics of the development won't work without the assistance, for reasons such as; added cost of building acquisition and renovation, development costs won't allow for market rate rents, added cost of site cleanup, etc.)**
 - **For this project, it will be used to induce or cause development as no public infrastructure is needed.**



TIF Business & Abatement Assistance

- **The Public Purpose Objectives, within the City's *Economic Development Policies*, which this project aligns with are:**
 - **To retain local jobs and/or increase the number and diversity.**
 - **To enhance and/or diversify the City's economic base.**
 - **To remove blight and/or encourage (re)development of commercial and industrial areas.**
 - **To encourage additional unsubsidized private (re)development**
 - **To accomplish other public policies which may be adopted, projects that are consistent with those community values and objectives described within the Comprehensive Plan.**





TIF & Abatement Business Assistance

- **TIF But-for Test**

- Under Minnesota statute, before a City can establish a TIF district for a project, the developer must demonstrate and the City must verify that, but-for the use of TIF, the project would not occur in the foreseeable future.

- **TIF Basics:**



- Important to note that the property taxes collected currently are still received and retained by the City during the term of the TIF
- Only the increase in taxes resulting from the new development (increment) is delayed until the TIF commitment is satisfied.
- Upon that satisfaction, all property taxes resume full distribution to the taxing entities.



TIF & Abatement Business Assistance

- **TIF Need Analysis** – the City’s fiscal consultant Ehlers has analyzed the Developer’s updated project budget and pro forma, based upon industry standards and market ranges for rate of return, as well as development costs and revenues.
 - Based upon that analysis, it was determined that TIF business assistance in the amount of \$2,000,000 is justified to achieve a reasonable yield on cost (net operating income / total development costs).
 - Because of Yield on Cost being independent of debt and equity, it is appropriate to use to analyze this unique project. Yield on Cost at the rent levels that the Developer is assuming are at the low end of the normal market range with TIF assistance and would be at the higher end of normal with 20% higher rents. Without assistance, Yield on Cost would be well below market ranges.



TIF Business Assistance

- **When approving a TIF Plan, the City Council must find (among other things) that:**
 - **The proposed development would not reasonably be expected to occur solely through private investment in the reasonably foreseeable future; and**
 - **The increased market value of the site that could reasonably be expected to occur without the use of TIF would be less than the increase estimated to result from the proposed development.**
- **The Draft Resolution, TIF Plan and its appendices address these required findings and describe the basis of the determined need for this public assistance in furthering the public purposes of:**
 - **To retain local jobs and/or increase the number and diversity.**
 - **To enhance and/or diversify the City's economic base.**
 - **To remove blight and/or encourage (re)development of commercial and industrial areas.**
 - **To encourage additional unsubsidized private (re)development**
 - **To accomplish other public policies which may be adopted, projects that are consistent with those community values and objectives described within the Comprehensive Plan.**
- **The proposed TIF involves pay-as-you-go financing, which means the developer will pay the costs of creating the improvements with their funds, and the increments, as they are generated by the new development, will be used to reimburse the developer for these costs over time.**



Process

At their April 11 meeting, GREDA reviewed the application and adopted a resolution supporting this modification to the Development Program for the City's Development District No. 1.

The City Council is conducting this public hearing today to consider this request for TIF Business Assistance. Actions that will be considered immediately following the Public Hearing will include:

- 1. Adoption of a resolution approving an amendment to TIF Financing Plan for TIF District No. 1-15 HWY 35LLC, (Formerly known as TIF District No. 1-14: Arbor Wood)**

At a future meeting, the City Council will consider:

- 1. Adoption of a resolution approving the Contract for Private Redevelopment with HWY 35 Properties, LLC and awarding the sale of, and providing the form, terms, covenants and directions for the issuance of its tax increment revenue note.**



Questions?

MEMORANDUM

TO: Board Members, Grand Rapids Economic Development Authority
FROM: Rebecca Kurtz and Schane Rudlang, Ehlers
DATE: April 8, 2024
SUBJECT: Financial Analysis for the HWY35 Properties, LLC Project

HWY35, LLC through their subsidiary HWY35 Properties, LLC (collectively “Developer”) has purchased a 138 acre, six-parcel site at 502 Co. Rd. 63, also known as the former Ainsworth site. The Developer intends to rehabilitate the site and lease 345,000 square feet of existing building space, primarily for cannabis related businesses (“Project”). HWY35, LLC will be seeking licensing from the Minnesota Office of Cannabis Management to perform and/or manage the cannabis business operations. The Developer has applied to the City of Grand Rapids (the “City”) and the Grand Rapids EDA (“GREDA”) to receive \$2,000,000 of tax increment financing assistance (“Assistance”) for the purchase and site development costs. Ehlers reviewed the request for Assistance which is summarized herein.

Financial Review

Ehlers evaluated the need for Assistance by analyzing the Developer’s sources and uses, budget, and financial projections, generally known as a proforma. We reviewed the Project based on industry standards for construction, land, and project costs; operating expenses; underwriting and financing criteria; and cash flow.

The analysis focused on the gap related to the acquisition and site development costs of \$14.5 million. HWY35 Properties purchased the site from a non-related entity for \$4.5 million. Site development costs are estimated to be \$10 million.

The tenant HWY 35 will complete the improvements to the current building estimated at an additional \$50.7 million plus an estimated \$5 million for working capital. The estimated total project cost is \$71.15 million.

The financing sources for this project are unique given the underlying nature of the tenant’s business. Investors will purchase promissory notes that will convert to shares in HWY35 LLC, if and when State licensing occurs and if the investors meet the requirements enacted by the State, which are unknown today. There are several tiers or tranches of investor shares which would receive varying returns. The Sources and Uses related to the acquisition and site improvements are summarized below.

SOURCES		
	Amount	Pct.
Developer Financing - Other Loans	\$ 3,300,000	23%
Developer Equity - A-Shares and B-Shares	\$ 9,200,000	63%
TIF Assistance	\$ 2,000,000	14%
TOTAL SOURCES	\$ 14,500,000	100%

USES		
	Amount	Pct.
Acquisition Costs and Closing Fees	\$ 4,500,000	31%
Site Costs	\$ 10,000,000	69%
TOTAL USES	\$ 14,500,000	100%

The Developer Equity in the form of shares above at 63% of project costs is higher than a typical development where equity requirements are 20-50% depending on the type of project. Higher equity requirements are common for projects that represent higher risk. Higher risk is typically commensurate with higher investment returns, which the Developer is targeting with this project.

Given the complexities discussed above, Ehlers focused the financial review of the Project considering the lease rates that the underlying tenant or tenants would pay in the building and looking at traditional revenues and expenses for an industrial building, which in essence the project really is - although with a novel industrial/manufacturing focus.

Yield on Cost is a standard financing metric used to determine project feasibility which divides Total Development Costs ("TDC") by Net Operating Income ("NOI") and is independent of equity and loans. Because of Yield on Cost being independent of debt and equity, it is appropriate to use to analyze this unique project. Yield on Cost at the rent levels that the Developer is assuming are at the low end of the normal market range with Assistance and would be at the higher end of normal with 20% higher rents. Without assistance, Yield on Cost would be well below market ranges. Therefore, the assistance amount of \$2 million is justified to bring Yield on Cost to within a normal, financeable, range.

Recommendation

Based on our review of the Developer's proforma and under current market conditions, the proposed development may not reasonably be expected to occur solely through private investment within the near future. We conclude a present value of up to \$2.0 million of TIF Assistance is warranted, which would be paid out via a pay-as-you-go TIF Note over 8-12 years.

Please contact either of us at 651-697-8500 with any questions.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider adopting a resolution approving amendment to the tax increment financing (TIF) plan for TIF District 1-15: HWY 35 LLC (Formerly known as TIF District 1-14: Arbor Wood)

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

On November 28, 2022, following a notice public hearing, the City Council adopted a modification to the Development Program for the City's Municipal Development District and TIF Plan for TIF District 1-14: Arbor Wood. The District involves several parcels located at 503W. Co. Rd. 63 in Grand Rapids, AKA the former site of the Ainsworth OSB Plant.

Through the attached resolution, the City Council would approve a request from HWY 35 Properties LLC for tax increment financing assistance involving the same District for their development of the previously discussed cannabis extraction and grow facility. The resolution further approves modifications to the TIF Plan and re-designates it as TIF District 1-15: HWY 35 Project.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution approving amendment to the tax increment financing (TIF) plan for TIF District 1-15: HWY 35 LLC (Formerly known as TIF District 1-14: Arbor Wood)

CITY OF GRAND RAPIDS
COUNTY OF ITASCA
STATE OF MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING AMENDMENT TO THE
TAX INCREMENT FINANCING PLAN FOR TAX INCREMENT
FINANCING DISTRICT NO. 1-15 HWY 35 LLC (FORMERLY KNOWN AS
TAX INCREMENT FINANCING DISTRICT NO. 14: ARBOR WOOD)

WHEREAS, after a duly noticed public hearing on November 28, 2022, the City Council (the “Council”) of the City of Grand Rapids, Minnesota (the “City”) adopted the Amendment to the Development Program (the “Development Plan”) for Municipal Development Program No. 1 (the “Project Area”) and a Tax Increment Financing (TIF) Plan (the “TIF Plan” and together with the Development Plan, the “Plans”) for Tax Increment Financing District No. 1-14: Arbor Wood (a redevelopment district) (the “TIF District”) within the Project Area;

WHEREAS, following adoption of the TIF Plan, the original developer determined not to move forward with a development within the TIF District;

WHEREAS, thereafter, the City received a request from HWY35 Properties LLC, a Minnesota limited liability company, or an affiliate thereof or entity related thereto (the “Developer”), to develop approximately 240,000 square feet of industrial buildings on a 138 acre campus for the licensing, production, and extraction of cannabis (the “Development”) within the TIF District. The Development will be leased to HWY35, LLC, a Minnesota limited liability company (the “Tenant”), who will operate the Development;

WHEREAS, the Council has proposed to amend the TIF Plan for the TIF District to rename the TIF District, amend the budget, reflect the updated Development and make certain other changes to the TIF Plan all pursuant to and in conformity with applicable law, including Minnesota Statutes, Sections 469.124 through 469.133, as amended, and 469.174 through 469.1794, as amended; and all as reflected in that certain document, dated April 22, 2024, entitled “Amended and Restated Amendment to the Development Program for Municipal Development Program No. 1 and Tax Increment Financing (TIF) Plan: Establishment of Tax Increment Financing District No. 1-15: HWY 35 LLC (a redevelopment district)” and presented for the Council’s consideration (the “Amendment”);

WHEREAS, the City Council (the “Council”) of the City of Grand Rapids, Minnesota (the “City”) has investigated the facts relating to the Amendment of the Plans;

WHEREAS, the proposed Amendment does not increase the total estimated tax increment expenditures, the amount of bonded indebtedness, capitalized interest, or make any other changes described in Minnesota Statutes, Section 469.175, subd. 4, that would require a new public hearing;

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

Section 1. Findings for the Amendment.

1.01 The Council hereby finds that the Amendment will serve to carry out the objectives of the Development Plan and is not being modified other than to incorporate the Amendment; therefore, the City Council reaffirms the findings and determinations originally made in connection with the establishment of the Development District and the adoption of the Development Plan therefor and the resolution adopting the TIF Plan.

1.02 The Council hereby finds the Amendment of the TIF Plan is and, in the judgment of the City, the effect will be, to carry out the objectives of the TIF Plan and to create an impetus for redevelopment and economic development activities and otherwise promote certain public purposes and accomplish certain objectives as specified in the TIF Plan and the Development Plan. The Council hereby ratifies and confirms the findings made in connection with the establishment of the TIF District, including without limitation the finding that the TIF District meets the conditions for establishing a redevelopment tax increment financing district. The specific facts that form the basis for these findings as set forth in the TIF Plan and the resolutions previously adopted with respect to the TIF District, are hereby incorporated by reference into and made a part of this resolution.

1.03 The Council hereby makes the following additional findings, the specific facts that form the basis for which are in the TIF Plan, and the resolutions previously adopted with respect to the TIF District and are hereby incorporated by reference into and made a part of this resolution as supplemented herein:

(a) The Council further finds that the types of additional development(s) proposed to be assisted from tax increments of the TIF District, in the opinion of Council, would not occur solely through private investment within the reasonably foreseeable future and, therefore, the use of tax increment financing is deemed necessary.

This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by a substandard building, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The Developer was asked for and provided a letter and a proforma as justification that the Developer would not have gone forward without tax increment assistance.

In addition, the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, redevelopment costs, site and public improvements costs on this site have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

(b) The Council further finds that the Amendment conforms to the general plan for the development or redevelopment of the City as a whole. The specific basis for such finding being:

The TIF Plan conforms with the general development plan of the City and will generally complement and serve to implement policies adopted in the City's comprehensive plan. The construction of the Development contemplated on the property is in accordance with the existing zoning or approved zoning variances for the property.

(c) The City Council further finds that the Amendment will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development of the Development District by private enterprise. The specific basis for such finding being:

The Development proposed to occur within the TIF District will afford maximum opportunity for the development of the applicable parcels consistent with the needs of the City and the renovation of blighted buildings will increase the potential for future redevelopment. Through the implementation of the TIF Plan, the Development will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State, help redevelop a long vacant site in the City that has been a priority for the City to redevelop, and add a high-quality development to the City.

(d) For purposes of compliance with Section 469.175, subdivision 3(b)(2) of the TIF Act, the City Council hereby finds that the increased market value of the property to be developed within the TIF District that could reasonably be expected to occur without the use of tax increment financing is likely \$0, which is less than the market value estimated to result from the proposed development (approximately \$26,862,336), after subtracting the present value of the projected tax increments for the maximum duration of the TIF District (approximately \$11,766,878), which is approximately \$15,095,458. In making these findings, the City Council has noted that the existing buildings on the Development property are blighted and would likely remain in its current condition or further deteriorate if tax increment financing were not available. Thus, the use of tax increment financing will be a positive net gain to the City, the School District, and the County, and the tax increment assistance does not exceed the benefit which will be derived therefrom.

1.04 The provisions of this Section 1 are hereby incorporated by reference into and made a part of the Amendment.

Section 2. Approval and Adoption of the Amendment of the TIF Plan.

2.01 The Amendment, as presented to the Council on this date, including without limitation the findings and statements of objectives contained therein, is hereby approved, ratified, established, and adopted. Tax Increment Financing District No. 1-14: Arbor Wood (a redevelopment district) is hereby renamed Tax Increment Financing District No. 1-15: HWY 35 Project (a redevelopment district).

2.02 The Council hereby ratifies and confirms all elections made in connection with the establishment of the TIF District, including without limitation elections regarding the amount of captured tax capacity to be retained and the applicable fiscal disparities computation.

2.03 City staff are authorized to file the Amendment with Itasca County, the Commissioner of Revenue, and the Office of the State Auditor.

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

Mayor

Attest:

City Clerk

Approved: November 28, 2022
Amended: April 22, 2024

City of Grand Rapids, Itasca County, Minnesota

AMENDED AND RESTATED

MODIFICATION TO THE DEVELOPMENT PROGRAM

Municipal Development District No. 1
&

Tax Increment Financing (TIF) Plan

Establishment of Tax Increment Financing District No. 1-15:
Hwy 35 LLC
(a redevelopment district)



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

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Amended and Restated Modification to the Development Program for Municipal Development District No. 1

FOREWORD

The following text represents a Modification to the Development Program for Municipal Development District No. 1. This modification represents a continuation of the goals and objectives set forth in the Development Program for Municipal Development District No. 1. Generally, the substantive changes include the establishment of Tax Increment Financing District No. 1-15: Hwy 35 LLC.

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

Amended and Restated Tax Increment Financing Plan for Tax Increment Financing District No. 1-15: Hwy 35 LLC

FOREWORD

The City of Grand Rapids (the "City"), staff and consultants have prepared the following information to expedite the establishment of Tax Increment Financing District No. 1-15: Hwy 35 LLC (the "District"), a redevelopment tax increment financing district located in Municipal Development District No. 1.

The tax increment financing plan for the District was originally adopted on November 28, 2022. Following the adoption of the District, the original developer for the proposed Arbor Wood project within the District determined not to move forward with the proposed project. On April 22, 2024, the City adopted a resolution approving this Amended and Restated Modification to the Development Program for Municipal Development District No. 1 and Tax Increment Financing Plan for Tax Increment Financing District No. 1-15: Hwy 35 LLC. This District was originally known as TIF 1-14: Arbor Wood and this amendment renames the District. In addition, this amendment includes an administrative update to the budget for the TIF District and updates the description of development and the dates of development in the District to reflect the new contemplated development. This amendment does not increase the total estimated tax increment expenditures, the amount of bonded indebtedness, capitalized interest, or make any other changes described in Minnesota Statutes, Section 469.175, subd. 4, that would require a new public hearing.

STATUTORY AUTHORITY

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

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

STATEMENT OF OBJECTIVES

The District currently consists of six (6) parcels of land and adjacent roads and internal rights-of-way. The District is being created to facilitate the rehabilitation of the site and the current building located thereon and lease 345,000 square feet of existing building space primarily for cannabis related businesses in the City. The City has not entered into a development agreement but anticipates entering into an agreement with HWY35 Properties, LLC, or an affiliate thereof (the “Developer”). Development is anticipated to begin in the spring of 2024 and be completed by early 2025. This TIF Plan is expected to achieve many of the objectives outlined in the Development Program for the Development District.

The activities contemplated in the Modification to the Development Program and the TIF Plan do not preclude the undertaking of other qualified development or redevelopment activities. These activities are anticipated to occur over the life of the Development District and the District.

DEVELOPMENT PROGRAM OVERVIEW

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

1. Property to be Acquired - Selected property located within the District may be acquired by the City and is further described in this TIF Plan.
2. Upon approval of a developer’s plan relating to the project and completion of the necessary legal requirements, the City may sell to a developer selected properties that it may acquire within the District or may lease land or facilities to a developer.
3. The City may perform or provide for some or all necessary acquisition, construction, demolition, and required utilities and public street work within the District.

DESCRIPTION OF PROPERTY IN THE DISTRICT AND PROPERTY TO BE ACQUIRED

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

Parcel number	Address	Owner
91-019-3200	502 Co. Rd. 63	Voyageur Cap.
91-019-2201	Unassigned	Voyageur Cap.
91-019-2202	Unassigned	Voyageur Cap.
91-019-2300	Unassigned	Voyageur Cap.
91-019-2403	Unassigned	Voyageur Cap.
91-019-3102	Unassigned	Voyageur Cap.

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

The City may acquire any parcel within the District including interior an adjacent street rights-of-way. Any properties identified for acquisition will be acquired by the City only in order to accomplish one or more of the following: construct storm sewer improvements; provide land for needed public streets, utilities and facilities; and carry out land acquisition, site improvements, clearance and/or development to accomplish the uses and objectives set forth in this TIF Plan. The City may acquire property by gift, dedication or direct purchase from willing sellers in order to achieve the objectives of this TIF Plan. Such acquisitions will be undertaken only when there is assurance of funding to finance the acquisition and related costs.

The City currently does not own any of the property to be included in the District.

DISTRICT CLASSIFICATION

The City, in determining the need to create a tax increment financing district in accordance with the TIF Act, finds that the District, to be established, is a redevelopment district pursuant to M.S., Section 469.174, Subd. 10(a)(1).

- The District is a redevelopment district consisting of six (6) parcels.
- An inventory shows that parcels consisting of more than 70% of the area in the District is occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures.
- An inspection of the buildings located within the District finds that more than 50% of the buildings are structurally substandard as defined in the TIF Act. (See Appendix D).

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

DURATION & FIRST YEAR OF DISTRICT'S TAX INCREMENT

Pursuant to *M.S., Section 469.175, Subd. 1, and Section 469.176, Subd. 1*, the duration and first year of tax increment of the District must be indicated within the TIF Plan. Pursuant to *M.S., Section 469.176, Subd. 1b.*, the duration of the District will be 25 years after receipt of the first increment by the City (a total of 26 years of tax increment). The City elects to receive the first tax increment in 2026, which is no later than four years following the year of approval of the District.

Thus, it is estimated that the District, including any modifications of the TIF Plan for subsequent phases or other changes, would terminate after 2051, or when the TIF Plan is satisfied. The City reserves the right to decertify the District prior to the legally required date.

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

Pursuant to *M.S., Section 469.174, Subd. 7 and M.S., Section 469.177, Subd. 1*, the Original Net Tax Capacity (ONTC) as certified for the District will be based on the market values placed on the property by the assessor in 2023 for taxes payable 2024.

Pursuant to *M.S., Section 469.177, Subds. 1 and 2*, the County Auditor shall certify in each year (beginning in the payment year 2026) the amount by which the original value has increased or decreased as a result of:

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

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

The original local tax rate for the District will be the local tax rate for taxes payable 2024, assuming the request for certification is made before June 30, 2024. The rates for 2024 were not available at the time the District was established. The ONTC and the Original Local Tax Rate for the District appear in the table below.

Pursuant to *M.S., Section 469.174 Subd. 4* and *M.S., Section 469.177, Subds. 1, 2, and 4*, the estimated Captured Net Tax Capacity (CTC) of the District, within the Development District, upon completion of the projects within the District, will annually approximate tax increment revenues as shown in the table below. The City requests 100% of the available increase in tax capacity be used for repayment of the obligations of the City and current expenditures, beginning in the tax year payable 2026. The Project Tax Capacity (PTC) listed is an estimate of values when the projects within the District are completed.

Project Tax Capacity	
Project estimated Tax Capacity upon completion	\$1,139,204
Original estimated Net Tax Capacity	-34,687
Fiscal Disparities	<u>-278,067</u>
Estimated Captured Tax Capacity	826,450
Original Local Tax Rate	<u>168.1770%</u> Pay 2022
Estimated Annual Tax Increment	\$1,389,899
Percent Retained by the City	100%

Note: Tax capacity includes a 3.00% inflation factor for the duration of the District. The tax capacity included in this chart is the estimated tax capacity of the District in year 26. The tax capacity of the District in year one is estimated to be \$69,729.

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

The City has reviewed the area to be included in the District and found no parcels for which building permits have been issued during the 18 months immediately preceding approval of the TIF Plan by the City.

SOURCES OF REVENUE/BONDS TO BE ISSUED

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

SOURCES	
Tax Increment	\$ 24,281,515
Interest	2,428,151
TOTAL	\$ 26,709,666

The costs outlined in the section Uses of Funds will be financed primarily through the annual collection of tax increments. The City reserves the right to issue bonds (as defined in the TIF Act) or incur other indebtedness as a result of the TIF Plan. As presently proposed, the projects within the District will be financed by pay-as-you-go notes, general obligation bonds for City infrastructure and interfund loans. Any refunding amounts will be deemed a budgeted cost without a formal modification to this TIF Plan. This provision does not obligate the City to incur debt. The City will issue bonds or incur other debt only upon the determination that such action is in the best interest of the City.

The City may issue bonds secured in whole or in part with tax increments from the District in a maximum principal amount of \$15,408,367. Such bonds may be in the form of pay-as-you-go notes, revenue bonds or notes, general obligation bonds, or interfund loans. This estimate of total bonded indebtedness is a cumulative statement of authority under this TIF Plan as of the date of approval.

USES OF FUNDS

Currently under consideration for the District is a proposal to facilitate the rehabilitation of the site and lease 345,000 square feet of existing building space primarily for cannabis related businesses. The City has determined that it will be necessary to provide assistance to the project for certain District costs, as described herein.

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

USES	
Land/Building Acquisition	\$ 2,500,000
Site Improvements/Preparation	3,000,000
Affordable Housing	-
Utilities	2,500,000
Other Qualifying Improvements	4,980,217
Administrative Costs (up to 10%)	2,428,151
PROJECT COSTS TOTAL	\$ 15,408,368
Interest	11,301,298
PROJECT AND INTEREST COSTS TOTAL	\$ 26,709,666

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

Estimated costs associated with the District are subject to change among categories without a modification to the TIF Plan. The cost of all activities to be considered for tax increment financing will not exceed, without formal modification, the budget above pursuant to the applicable statutory requirements. Pursuant to *M.S., Section 469.1763, Subd. 2*, no more than 25% of the tax increment paid by property within the District will be spent on activities related to development or redevelopment outside of the District but within the boundaries of the Development District, (including administrative costs, which are considered to be spent outside of the District) subject to the limitations as described in the TIF Plan.

FISCAL DISPARITIES ELECTION

Pursuant to *M.S., Section 469.177, Subd. 3*, the City may elect one of two methods to calculate fiscal disparities.

The City will choose to calculate fiscal disparities by clause b (inside).

ESTIMATED IMPACT ON OTHER TAXING JURISDICTIONS

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

Impact on Tax Base			
Entity	2021/Pay 2022 Total Net Tax Capacity	Estimated Captured Tax Capacity (CTC) upon completion	Percent of CTC to Entity Total
Itasca County	63,718,485	826,450	1.2970%
City of Grand Rapids	9,252,644	826,450	8.9320%
ISD 318 (Itasca County)	44,974,111	826,450	1.8376%

Impact on Tax Rates				
Entity	Pay 2022 Extension Rate	Percent of Total	CTC	Potential Taxes
Itasca County	61.0290%	36.29%	826,450	\$ 504,374
City of Grand Rapids	84.0570%	49.98%	826,450	694,689
ISD 318 (Itasca County)	22.8080%	13.56%	826,450	188,497
Other	0.2830%	0.17%	826,450	2,339
	168.1770%	100.00%		\$1,389,899

The estimates listed above display the captured tax capacity when all construction is completed. The tax rate used for calculations is the Pay 2022 rate. The total net capacity for the entities listed above are based on Pay 2022 figures. The District will be certified under the Pay 2024 rates, which were unavailable at the time this TIF Plan was prepared.

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

- (1) Estimate of total tax increment. It is estimated that the total amount of tax increment that will be generated over the life of the District is \$24,281,515;
- (2) Probable impact of the District on city provided services and ability to issue debt. An impact of the District on police protection is expected to be minimal. With any addition of new residents or businesses, police calls for service will be increased; however, the redevelopment is reinvesting in vacant space, which also may create policing challenges. New developments add an increase in traffic, and additional overall demands to the call load. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The probable impact of the District on fire protection is not expected to be significant. Typically, new buildings generate few calls, if any, and are of superior construction. The existing buildings, located at the site, which will be rehabilitated or eliminated by the new development, have public safety concerns that include several unprotected old buildings with issues such as access, hydrant locations, and converted structures. The City does not expect that the proposed development, in and of itself, will necessitate new capital investment in vehicles or facilities.

The impact of the District on public infrastructure is expected to be minimal. The development is not expected to significantly impact any traffic movements in the area. The current infrastructure for sanitary sewer, storm sewer and water will be able to handle the additional volume generated from the proposed development. However, infrastructure will need to be extended to serve the site. It is anticipated that tax increment, along with utility funds and grants, will be used to finance the needed infrastructure. Based on the development plans, there are no additional costs associated with street maintenance, sweeping, plowing, lighting and sidewalks.

The probable impact of the issuance of any general obligation tax increment bonds payable from tax increment revenues from the District on the City's ability to issue debt for general fund purposes is expected to be minimal. The City is reviewing options to finance the infrastructure improvements and may issue general obligation bonds. Issuance of general obligation debt supported by tax increment and/or utility revenues will not impact the City's ability to incur future debt or impact the City's debt limit.

- (3) Estimated amount of tax increment attributable to school district levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to school district levies, assuming the school district's share of the total local tax rate for all taxing jurisdictions remained the same, is \$3,293,035;
- (4) Estimated amount of tax increment attributable to county levies. It is estimated that the amount of tax increments over the life of the District that would be attributable to county levies, assuming the county's share of the total local tax rate for all taxing jurisdictions remained the same, is \$8,811,410;

- (5) Additional information requested by the county or school district. The City is not aware of any standard questions in a county or school district written policy regarding tax increment districts and impact on county or school district services. The county or school district must request additional information pursuant to *M.S., Section 469.175, Subd. 2(b)* within 15 days after receipt of the tax increment financing plan.

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

SUPPORTING DOCUMENTATION

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

- (i) In making said determination, reliance has been placed upon (1) written representation made by the Developer to such effects; (2) review of the Developer's proforma; and (3) City staff awareness of the feasibility of developing the project site within the District, which is further outlined in the City Council resolution approving the establishment of the District and Appendix C.
- (ii) A comparative analysis of estimated market value both with and without establishment of the District and the use of tax increments has been performed. Such analysis is included with the cashflow in Appendix B and indicates that the increase in estimated market value of the proposed development (less the indicated subtractions) exceeds the estimated market value of the site absent the establishment of the District and the use of tax increments.

DISTRICT ADMINISTRATION

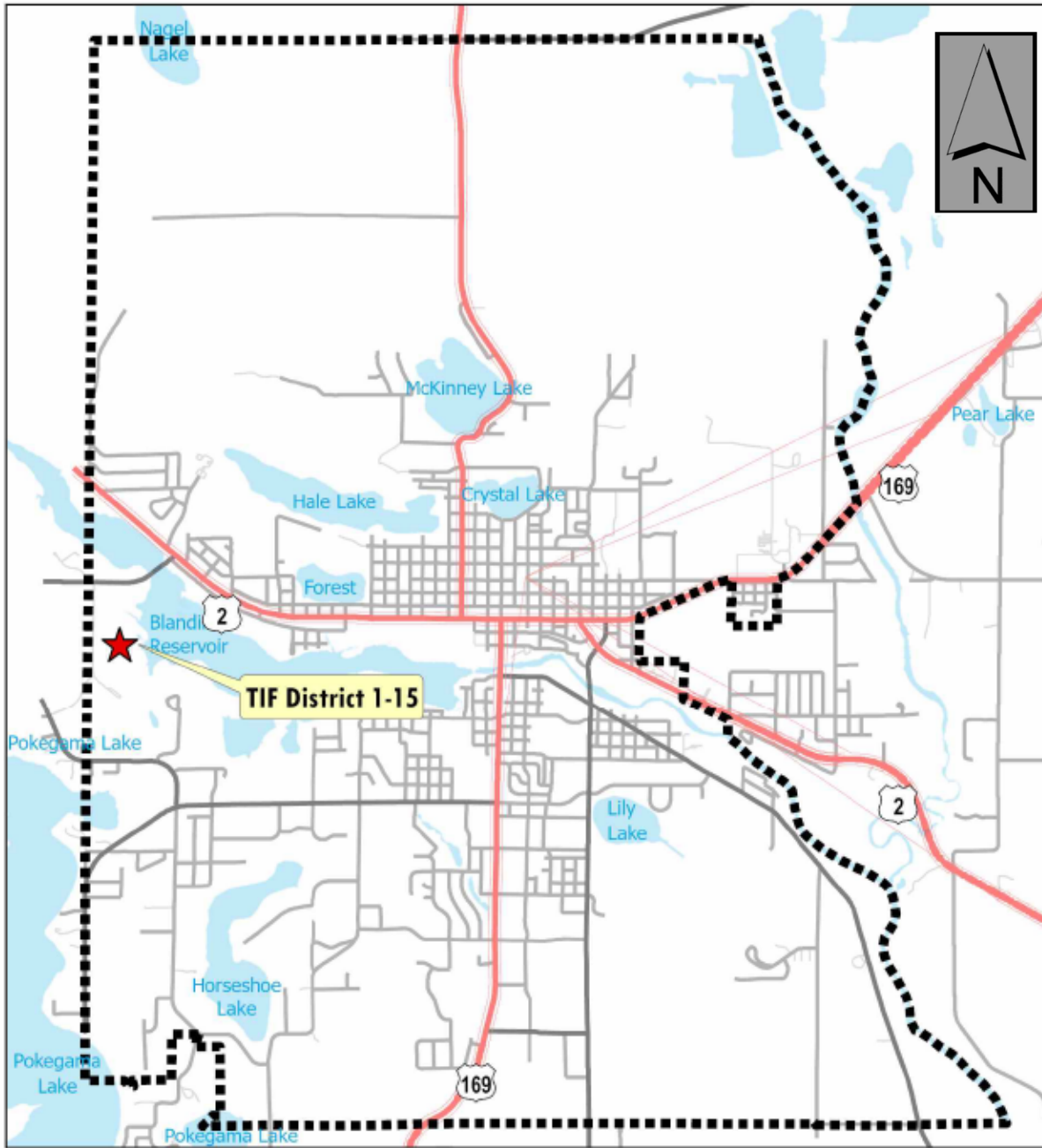
Administration of the District will be handled by the Community Development Director.

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

Tax Increment Financing District No. 1-15: Hwy 35 LLC

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

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



Appendix B: Estimated Cash Flow for the District

Hwy 35 LLC Development - No Inflation

City of Grand Rapids, MN

Development of a cannabis manufacturing facility on the former Ainsworth site with 75% of Increment to Project



ASSUMPTIONS AND RATES

DistrictType:	Redevelopment	
District Name/Number:	TIF 1-16	
County District #:	TBD	
First Year Construction or Inflation on Value	2025	
Existing District - Specify No. Years Remaining		
Inflation Rate - Every Year:	0.00%	
Interest Rate:	6.00%	
Present Value Date:	1-Aug-25	
First Period Ending	1-Feb-26	
Tax Year District was Certified:	Pay 2024	
Cashflow Assumes First Tax Increment For Development:	2027	
Years of Tax Increment	26	
Assumes Last Year of Tax Increment	2052	
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)	
Incremental or Total Fiscal Disparities	Incremental	
Fiscal Disparities Contribution Ratio	20.7700%	Pay 2023
Fiscal Disparities Metro-Wide Tax Rate	169.9670%	Pay 2023
Maximum/Frozen Local Tax Rate:	138.900%	Pay 2023
Current Local Tax Rate: (Use lesser of Current or Max.)	138.900%	Pay 2023
State-wide Tax Rate (Comm./Ind. only used for total taxes)	30.0000%	Prelim. Pay 2024
Market Value Tax Rate (Used for total taxes)	0.09300%	Pay 2023

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

BASE VALUE INFORMATION (Original Tax Capacity)

Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	91-019-3200	Voyageur Cap.	502 Co. Rd. 63	258,200	960,000	1,218,200	100%	1,218,200	Pay 2024	C/I Pref.	23,614	C/I Pref.	23,614	1
2	91-019-2201	Voyageur Cap.	Unassigned	80,500	0	80,500	100%	80,500	Pay 2024	C/I Pref.	1,208	C/I	1,610	1
3	91-019-2202	Voyageur Cap.	Unassigned	15,800	0	15,800	100%	15,800	Pay 2024	C/I Pref.	237	C/I	316	1
4	91-019-2300	Voyageur Cap.	Unassigned	267,000	167,100	434,100	100%	434,100	Pay 2024	C/I Pref.	7,932	C/I	8,682	1
5	91-019-2403	Voyageur Cap.	Unassigned	39,100	11,600	50,700	100%	50,700	Pay 2024	C/I Pref.	761	C/I	1,014	1
6	91-019-3102	Voyageur Cap.	Unassigned	63,500	0	63,500	100%	63,500	Pay 2024	C/I Pref.	953	C/I	1,270	1
				724,100	1,138,700	1,862,800		1,862,800			34,704		36,506	

Note:

1. Base values are based on information from the County Assessor dated October 23, 2023. Pay 2024 information is not yet available.
2. Located in SD # 318.

Hwy 35 LLC Development - No Inflation

City of Grand Rapids, MN

Development of a cannabis manufacturing facility on the former Ainsworth site with 75% of increment to Project



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	Percentage Completed 2028	First Year Full Taxes Payable
	Manufacturing		-		20,305,494	C/I Pref.	405,360		100%	100%	100%	100%	2027
TOTAL					20,305,494		405,360						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				0	20,305,494		405,360						

Note:

1. Market values are based on information from the County Assessor dated October 23, 2023.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Manufacturing	405,360	84,193	321,167	446,100	143,101	120,933	18,884	729,018	
TOTAL	405,360	84,193	321,167	446,100	143,101	120,933	18,884	729,018	

Note:

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

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	729,018
less State-wide Taxes	(120,933)
less Fiscal Disp. Adj.	(143,101)
less Market Value Taxes	(18,884)
less Base Value Taxes	(40,175)
Annual Gross TIF	405,925

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	1,862,800
New Market Value - Est.	20,305,494
Difference	18,442,694
Present Value of Tax Increment	4,860,108
Difference	13,582,586
Value likely to occur without Tax Increment is less than:	13,582,586



Hwy 35 LLC Development - No Inflation City of Grand Rapids, MN

Development of a cannabis manufacturing facility on the former Ainsworth site with 75% of increment to Project

TAX INCREMENT CASH FLOW															
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Pooling at 15%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
															02/01/26
															08/01/26
															02/01/27
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	134,760	0.5	2027	08/01/27
							202,963	(731)	(20,223)	(30,335)	151,674	265,596	1	2027	02/01/28
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	392,620	1.5	2028	08/01/28
							202,963	(731)	(20,223)	(30,335)	151,674	515,945	2	2028	02/01/29
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	635,678	2.5	2029	08/01/29
							202,963	(731)	(20,223)	(30,335)	151,674	751,924	3	2029	02/01/30
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	864,783	3.5	2030	08/01/30
							202,963	(731)	(20,223)	(30,335)	151,674	974,356	4	2030	02/01/31
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,080,737	4.5	2031	08/01/31
							202,963	(731)	(20,223)	(30,335)	151,674	1,184,020	5	2031	02/01/32
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,284,294	5.5	2032	08/01/32
							202,963	(731)	(20,223)	(30,335)	151,674	1,381,648	6	2032	02/01/33
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,476,166	6.5	2033	08/01/33
							202,963	(731)	(20,223)	(30,335)	151,674	1,567,931	7	2033	02/01/34
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,657,024	7.5	2034	08/01/34
							202,963	(731)	(20,223)	(30,335)	151,674	1,743,522	8	2034	02/01/35
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,827,500	8.5	2035	08/01/35
							202,963	(731)	(20,223)	(30,335)	151,674	1,909,032	9	2035	02/01/36
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,988,190	9.5	2036	08/01/36
							202,963	(731)	(20,223)	(30,335)	151,674	2,065,042	10	2036	02/01/37
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,139,655	10.5	2037	08/01/37
							202,963	(731)	(20,223)	(30,335)	151,674	2,212,095	11	2037	02/01/38
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,282,426	11.5	2038	08/01/38
							202,963	(731)	(20,223)	(30,335)	151,674	2,350,708	12	2038	02/01/39
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,417,001	12.5	2039	08/01/39
							202,963	(731)	(20,223)	(30,335)	151,674	2,481,363	13	2039	02/01/40
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,543,851	13.5	2040	08/01/40
							202,963	(731)	(20,223)	(30,335)	151,674	2,604,519	14	2040	02/01/41
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,663,419	14.5	2041	08/01/41
							202,963	(731)	(20,223)	(30,335)	151,674	2,720,605	15	2041	02/01/42
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,776,124	15.5	2042	08/01/42
							202,963	(731)	(20,223)	(30,335)	151,674	2,830,026	16	2042	02/01/43
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,882,359	16.5	2043	08/01/43
							202,963	(731)	(20,223)	(30,335)	151,674	2,933,167	17	2043	02/01/44
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,982,496	17.5	2044	08/01/44
							202,963	(731)	(20,223)	(30,335)	151,674	3,030,387	18	2044	02/01/45
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,076,884	18.5	2045	08/01/45
							202,963	(731)	(20,223)	(30,335)	151,674	3,122,026	19	2045	02/01/46
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,165,854	19.5	2046	08/01/46
							202,963	(731)	(20,223)	(30,335)	151,674	3,208,405	20	2046	02/01/47
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,249,717	20.5	2047	08/01/47
							202,963	(731)	(20,223)	(30,335)	151,674	3,289,825	21	2047	02/01/48
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,328,765	21.5	2048	08/01/48
							202,963	(731)	(20,223)	(30,335)	151,674	3,366,572	22	2048	02/01/49
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,403,276	22.5	2049	08/01/49
							202,963	(731)	(20,223)	(30,335)	151,674	3,438,912	23	2049	02/01/50
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,473,510	23.5	2050	08/01/50
							202,963	(731)	(20,223)	(30,335)	151,674	3,507,100	24	2050	02/01/51
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,539,712	24.5	2051	08/01/51
							202,963	(731)	(20,223)	(30,335)	151,674	3,571,374	25	2051	02/01/52
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	3,602,114	25.5	2052	08/01/52
							202,963	(731)	(20,223)	(30,335)	151,674	3,631,959	26	2052	02/01/53
Total							10,554,061	(37,995)	(1,051,607)	(1,577,410)	7,887,050				
	Present Value From 08/01/2025			Present Value Rate	6.00%		4,860,108	(17,496)	(484,261)	(726,392)	3,631,959				



Hwy 35 LLC Development - No Inflation

City of Grand Rapids, MN

Development of a cannabis manufacturing facility on the former Ainsworth site with 75% of increment to Project

TAX INCREMENT CASH FLOW															
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Pooling at 15%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
															02/01/26
															08/01/26
															02/01/27
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	134,760	0.5	2027	08/01/27
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	265,596	1	2027	02/01/28
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	515,945	2	2028	02/01/29
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	635,678	2.5	2029	08/01/29
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	751,924	3	2029	02/01/30
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	864,783	3.5	2030	08/01/30
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	974,356	4	2030	02/01/31
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,080,737	4.5	2031	08/01/31
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,184,020	5	2031	02/01/32
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,284,294	5.5	2032	08/01/32
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,381,648	6	2032	02/01/33
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,476,166	6.5	2033	08/01/33
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,567,931	7	2033	02/01/34
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,657,024	7.5	2034	08/01/34
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,743,522	8	2034	02/01/35
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,827,500	8.5	2035	08/01/35
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,909,032	9	2035	02/01/36
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	1,988,190	9.5	2036	08/01/36
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)	(20,223)	(30,335)	151,674	2,065,042	10	2036	02/01/37
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	10.5	2037	08/01/37
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	11	2037	02/01/38
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	11.5	2038	08/01/38
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	12	2038	02/01/39
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	12.5	2039	08/01/39
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	13	2039	02/01/40
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	13.5	2040	08/01/40
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	14	2040	02/01/41
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	14.5	2041	08/01/41
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	15	2041	02/01/42
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	15.5	2042	08/01/42
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	16	2042	02/01/43
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	16.5	2043	08/01/43
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	17	2043	02/01/44
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	17.5	2044	08/01/44
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	18	2044	02/01/45
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	18.5	2045	08/01/45
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	19	2045	02/01/46
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	19.5	2046	08/01/46
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	20	2046	02/01/47
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	20.5	2047	08/01/47
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	21	2047	02/01/48
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	21.5	2048	08/01/48
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	22	2048	02/01/49
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	22.5	2049	08/01/49
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	23	2049	02/01/50
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	23.5	2050	08/01/50
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	24	2050	02/01/51
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	24.5	2051	08/01/51
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	25	2051	02/01/52
100%	405,360	(36,506)	(76,611)	292,243	138.900%	405,925	202,963	(731)				2,065,042	25.5	2052	08/01/52
							202,963	(731)				2,065,042	26	2052	02/01/53
Total							10,554,061	(37,995)	(404,464)	(606,696)	3,033,481				
	Present Value From 08/01/2025			Present Value Rate	6.00%		4,860,108	(17,496)	(275,339)	(413,008)	2,065,042				

Proposed L&M Distribution Center - 5% Inflation

City of Grand Rapids, MN

210,000 SF warehouse / distribution facility



ASSUMPTIONS AND RATES

DistrictType:	Economic Development
District Name/Number:	TIF 1-14
County District #:	TBD
First Year Construction or Inflation on Value	2024
Existing District - Specify No. Years Remaining	
Inflation Rate - Every Year:	5.00%
Interest Rate:	3.50%
Present Value Date:	1-Feb-26
First Period Ending	1-Aug-26
Tax Year District was Certified:	Pay 2023
Cashflow Assumes First Tax Increment For Development:	2026
Years of Tax Increment	9
Assumes Last Year of Tax Increment	2034
Fiscal Disparities Election [Outside (A), Inside (B), or NA]	Inside(B)
Incremental or Total Fiscal Disparities	Incremental
Fiscal Disparities Contribution Ratio	25.1754% Pay 2023
Fiscal Disparities Metro-Wide Tax Rate	169.9670% Pay 2023
Maximum/Frozen Local Tax Rate:	138.900% Pay 2023
Current Local Tax Rate: (Use lesser of Current or Max.)	138.900% Pay 2023
State-wide Tax Rate (Comm./Ind. only used for total taxes)	33.0030% Pay 2023
Market Value Tax Rate (Used for total taxes)	0.09300% Pay 2023

Tax Rates	
Exempt Class Rate (Exempt)	0.00%
Commercial Industrial Preferred Class Rate (C/I Pref.)	
First \$150,000	1.50%
Over \$150,000	2.00%
Commercial Industrial Class Rate (C/I)	2.00%
Rental Housing Class Rate (Rental)	1.25%
Affordable Rental Housing Class Rate (Aff. Rental)	
First \$100,000	0.75%
Over \$100,000	0.25%
Non-Homestead Residential (Non-H Res. 1 Unit)	
First \$500,000	1.00%
Over \$500,000	1.25%
Homestead Residential Class Rate (Hmstd. Res.)	
First \$500,000	1.00%
Over \$500,000	1.25%
Agricultural Non-Homestead	1.00%

BASE VALUE INFORMATION (Original Tax Capacity)														
Map ID	PID	Owner	Address	Land Market Value	Building Market Value	Total Market Value	Percentage Of Value Used for District	Original Market Value	Tax Year Original Market Value	Property Tax Class	Current Original Tax Capacity	Class After Conversion	After Conversion Orig. Tax Cap.	Area/ Phase
1	91-033-1410	T. Moyer Trustee	Unassigned	92,100		92,100	100%	92,100	Pay 2023	C/I Pref.	1,382	C/I	1,842	
2	91-033-1430	E. Karpan	2804 Airport Rd.	102,500	188,800	291,300	100%	291,300	Pay 2023	C/I Pref.	5,076	C/I Pref.	5,076	
3	91-033-4120	MIMAR Dev.	Unassigned	79,400		79,400	100%	79,400	Pay 2023	Exempt	-	C/I	1,588	
4	91-033-1406	City of GR	Unassigned	161,000		161,000	100%	161,000	Pay 2023	C/I Pref.	2,470	C/I	3,220	
				435,000	188,800	623,800		623,800			8,928		11,726	

Note:
 1. Base values are for pay 2023 based upon Assessor's email dated May 1, 2023.
 2. Located in SD # 318.

Proposed L&M Distribution Center - 5% Inflation
 City of Grand Rapids, MN
 210,000 SF warehouse / distribution facility



PROJECT INFORMATION (Project Tax Capacity)													
Area/Phase	New Use	Estimated Market Value Per Sq. Ft./Unit	Taxable Market Value Per Sq. Ft./Unit	Total Sq. Ft./Units	Total Taxable Market Value	Property Tax Class	Project Tax Capacity	Project Tax Capacity/Unit	Percentage Completed 2024	Percentage Completed 2025	Percentage Completed 2026	Percentage Completed 2027	First Year Full Taxes Payable
1	Warehouse	95	95	210,000	20,000,000	C/I Pref.	399,250	2	100%	100%	100%	100%	2026
TOTAL					20,000,000		399,250						
Subtotal Residential				0	0		0						
Subtotal Commercial/Ind.				210,000	20,000,000		399,250						

Note:
 1. On May 1, 2023 the County Assessor provided an esimated completed market value of \$17,977,000.

TAX CALCULATIONS									
New Use	Total Tax Capacity	Fiscal Disparities Tax Capacity	Local Tax Capacity	Local Property Taxes	Fiscal Disparities Taxes	State-wide Property Taxes	Market Value Taxes	Total Taxes	Taxes Per Sq. Ft./Unit
Warehouse	399,250	100,513	298,737	414,946	170,839	131,022	18,600	735,406	3.50
TOTAL	399,250	100,513	298,737	414,946	170,839	131,022	18,600	735,406	

- Note:
- Taxes and tax increment will vary significantly from year to year depending upon values, rates, state law, fiscal disparities and other factors which cannot be predicted.
 - If tax increment in received in 2025, then the district will be one year shorter.

WHAT IS EXCLUDED FROM TIF?	
Total Property Taxes	735,406
less State-wide Taxes	(131,022)
less Fiscal Disp. Adj.	(170,839)
less Market Value Taxes	(18,600)
less Base Value Taxes	(12,187)
Annual Gross TIF	402,759

MARKET VALUE BUT / FOR ANALYSIS	
Current Market Value - Est.	623,800
New Market Value - Est.	20,000,000
Difference	19,376,200
Present Value of Tax Increment	3,758,888
Difference	15,617,312
Value likely to occur without Tax increment is less than:	15,617,312



Proposed L&M Distribution Center - 5% Inflation
 City of Grand Rapids, MN
 210,000 SF warehouse / distribution facility

TAX INCREMENT CASH FLOW														
% of OTC	Project Tax Capacity	Original Tax Capacity	Fiscal Disparities Incremental	Captured Tax Capacity	Local Tax Rate	Annual Gross Tax Increment	Semi-Annual Gross Tax Increment	State Auditor 0.36%	Admin. at 10%	Semi-Annual Net Tax Increment	Semi-Annual Present Value	PERIOD ENDING Yrs.	Tax Year	Payment Date
100%	399,250	(11,726)	(97,561)	289,963	138.900%	402,759	201,379	(725)	(20,065)	180,589	177,483	0.5	#VALUE!	08/01/26
100%	419,213	(11,726)	(102,586)	304,900	138.900%	423,506	201,379	(725)	(20,065)	180,589	351,914	1	2026	02/01/27
100%	440,173	(11,726)	(107,863)	320,584	138.900%	445,291	211,753	(762)	(21,099)	189,892	532,175	1.5	2027	08/01/27
100%	462,182	(11,726)	(113,404)	337,052	138.900%	468,165	211,753	(762)	(21,099)	189,892	709,336	2	2027	02/01/28
100%	485,291	(11,726)	(119,222)	354,343	138.900%	492,182	222,645	(802)	(22,184)	199,660	892,407	2.5	2028	08/01/28
100%	509,555	(11,726)	(125,331)	372,499	138.900%	517,401	222,645	(802)	(22,184)	199,660	1,072,328	3	2028	02/01/29
100%	535,033	(11,726)	(131,745)	391,563	138.900%	543,880	234,082	(843)	(23,324)	209,916	1,258,239	3.5	2029	08/01/29
100%	561,785	(11,726)	(138,480)	411,579	138.900%	571,684	234,082	(843)	(23,324)	209,916	1,440,952	4	2029	02/01/30
100%	589,874	(11,726)	(145,551)	432,597	138.900%	600,877	246,091	(886)	(24,521)	220,685	1,629,735	4.5	2030	08/01/30
							246,091	(886)	(24,521)	220,685	1,815,271	5	2030	02/01/31
							258,700	(931)	(25,777)	231,992	2,006,959	5.5	2031	08/01/31
							258,700	(931)	(25,777)	231,992	2,195,350	6	2031	02/01/32
							271,940	(979)	(27,096)	243,865	2,389,977	6.5	2032	08/01/32
							271,940	(979)	(27,096)	243,865	2,581,256	7	2032	02/01/33
							285,842	(1,029)	(28,481)	256,332	2,778,855	7.5	2033	08/01/33
							285,842	(1,029)	(28,481)	256,332	2,973,056	8	2033	02/01/34
							300,439	(1,082)	(29,936)	269,421	3,173,664	8.5	2034	08/01/34
							300,439	(1,082)	(29,936)	269,421	3,370,821	9	2034	02/01/35
Total							4,465,746	(16,077)	(444,967)	4,004,702				
	Present Value From 02/01/2026			Present Value Rate	3.50%		3,758,888	(13,532)	(374,536)	3,370,821				

Appendix C: Findings Including But/For Qualifications

The reasons and facts supporting the findings for the adoption of the Tax Increment Financing Plan (TIF Plan) for Tax Increment Financing District No. 1-15: Hwy 35 LLC (the “District”), as required pursuant to *Minnesota Statutes (M.S.), Section 469.175, Subdivision 3* are as follows:

1. *Finding that Tax Increment Financing District No. 1-15: Hwy 35 LLC is a redevelopment district as defined in M.S., Section 469.174, Subd. 10.*

The District consists of six (6) parcels and vacant right-of-way, with plans to facilitate the rehabilitation of the site and lease 345,000 square feet of existing building space primarily for cannabis related businesses. Parcels consisting of 70% of the area of the District are occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures and more than 50% of the buildings in the District, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance. (See Appendix D of the TIF Plan.)

2. *Finding that the proposed development, in the opinion of the City Council, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future and that the increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in the market value estimated to result from the proposed development after subtracting the present value of the projected tax increments for the maximum duration of Tax Increment Financing District No. 1-15: Hwy 35 LLC permitted by the TIF Plan.*

The proposed development, in the opinion of the City, would not reasonably be expected to occur solely through private investment within the reasonably foreseeable future: This finding is supported by the fact that the redevelopment proposed in the TIF Plan meets the City's objectives for redevelopment. Due to the high cost of redevelopment on the parcels currently occupied by a substandard building, and the cost of financing the proposed improvements, this project is feasible only through assistance, in part, from tax increment financing. The Developer was asked for and provided a letter and a pro forma as justification that the Developer would not have gone forward without tax increment assistance.

The increased market value of the site that could reasonably be expected to occur without the use of tax increment financing would be less than the increase in market value estimated to result from the proposed development after subtracting the present value of the projected tax

increments for the maximum duration of the District permitted by the TIF Plan: This finding is justified on the grounds that the cost of site and public improvements and utilities add to the total redevelopment cost. Historically, construction costs, site and public improvements costs in this area have made redevelopment infeasible without tax increment assistance. The City reasonably determines that no other redevelopment of similar scope is anticipated on this site without substantially similar assistance being provided to the development.

Therefore, the City concludes as follows:

- a. The City's estimate of the amount by which the market value of the entire District will increase without the use of tax increment financing is \$0.
 - b. If the proposed development occurs, the total increase in market value will be \$26,862,336.
 - c. The present value of tax increments from the District for the maximum duration of the district permitted by the TIF Plan is estimated to be \$11,766,878.
 - d. Even if some development other than the proposed development were to occur, the Council finds that no alternative would occur that would produce a market value increase greater than \$15,095,458 (the amount in clause b less the amount in clause c) without tax increment assistance.
3. *Finding that the TIF Plan for Tax Increment Financing District No. 1-15: Hwy 35 LLC conforms to the general plan for the development or redevelopment of the municipality as a whole.*

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

4. *Finding that the TIF Plan for Tax Increment Financing District No. 1-15: Hwy 35 LLC will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the development or redevelopment of Municipal Development District No. 1 by private enterprise.*

The project to be assisted by the District will result in increased employment in the City and the State of Minnesota, the renovation of substandard properties, increased tax base of the State, help redevelop a long vacant site in the City that has been a priority for the City to redevelop, and add a high-quality development to the City.

Appendix D: Redevelopment Qualifications for the District

REPORT OF INSPECTION PROCEDURES AND RESULTS
FOR
DETERMINING QUALIFICATIONS
OF A
TAX INCREMENT FINANCING DISTRICT

OSB PLANT
REDEVELOPMENT TIF DISTRICT

Prepared for

CITY OF GRAND RAPIDS, MINNESOTA

November 7, 2022

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Part 1: Executive Summary

Purpose of the Evaluation

LHB was hired by the City of Grand Rapids to inspect and evaluate the properties within a Tax Increment Financing Redevelopment District ("TIF District") proposed to be established by the City. The proposed TIF District is located at 502 County Road 63 in Grand Rapids, MN (Diagram 1). The purpose of LHB's work is to determine whether the proposed TIF District meets the statutory requirements for coverage, and whether two (2) buildings on six (6) parcels, located within the proposed TIF District, meet the qualifications required for a Redevelopment District.



Diagram 1: Proposed TIF District

Scope of Work

The proposed TIF District consists of six (6) parcels with two (2) structures. Two (2) buildings were inspected on September 19, 2022. Building Code and Condition Deficiency reports for the buildings that were inspected and found substandard are in Appendix B.

Conclusion

After inspecting and evaluating the properties within the proposed TIF District and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the proposed TIF District qualifies as a Redevelopment District because:

- The proposed TIF District has a coverage calculation of 73.9 percent which is above the 70 percent requirement.
- 100 percent of the buildings are structurally substandard which is above the 50 percent requirement.
- The substandard buildings are reasonably distributed.

The remainder of this report describes our process and findings in detail.

Part 2: Minnesota Statute 469.174, Subdivision 10 Requirements

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

Interior Inspection

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

Exterior Inspection and Other Means

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

Documentation

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3(1)."

Qualification Requirements

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires three tests for occupied parcels:

1. COVERAGE TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a)(1) states:

"parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."

- b. The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

2. CONDITION OF BUILDINGS TEST

- a. Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

"...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

- b. Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

- i. We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)* defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.
- c. Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in Subdivision 10(c) which states:

"A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

- i. LHB counts energy code deficiencies toward the 15 percent code threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c) for the following reasons:
- 1) The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
 - 2) Chapter 13 of the 2015 *Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the *International Energy Conservation Code*." Furthermore, Minnesota Rules, Chapter 1305.0021 Subpart 9 states, "References to the *International Energy Conservation Code* in this code mean the *Minnesota Energy Code*..."
 - 3) Chapter 11 of the 2015 Minnesota Residential Code incorporates Minnesota Rules, Chapters, 1322 and 1323 *Minnesota Energy Code*.
 - 4) The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
 - 5) In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

- 6) Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

3. DISTRIBUTION OF SUBSTANDARD BUILDINGS

- a. Minnesota Statutes, Section 469.174, Subdivision 10, defines a Redevelopment District and requires one or more of the following conditions "reasonably distributed throughout the district.":
- "(1) Parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;
- (2) the property consists of vacant, unused, underused, inappropriately used, or infrequently used rail yards, rail storage facilities, or excessive or vacated railroad rights-of-way;
- (3) tank facilities, or property whose immediately previous use was for tank facilities..."
- b. Our interpretation of the distribution requirement is that the substandard buildings must be reasonably distributed throughout the district as compared to the location of all buildings in the district. For example, if all the buildings in a district are located on one half of the area of the district, with the other half occupied by parking lots (meeting the required 70 percent coverage for the district), we would evaluate the distribution of the substandard buildings compared with only the half of the district where the buildings are located. If all the buildings in a district are located evenly throughout the entire area of the district, the substandard buildings must be reasonably distributed throughout the entire area of the district. We believe this is consistent with the opinion expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Part 3: Procedures Followed

LHB inspected two buildings on the interior and exterior during the day of September 19, 2022.

Part 4: Findings

1. Coverage Test

- The total square foot area of the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- The total square foot area of buildings and site improvements on the parcels in the proposed TIF District were obtained from City records, GIS mapping and site verification.
- The percentage of coverage for each parcel in the proposed TIF District was computed to determine if the 15 percent minimum requirement was met. The total square footage of parcels meeting the 15 percent requirement was divided into the total square footage of the entire district to determine if the 70 percent requirement was met.

FINDING

The proposed TIF District met the coverage test under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which resulted in parcels consisting of 73.9 percent of the area of the proposed TIF District being occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures (Diagram 2). This exceeds the 70 percent area coverage requirement for the proposed TIF District under *Minnesota Statutes, Section 469.174, Subdivision (a) (1)*.



Diagram 2 – Coverage Diagram

Shaded area depicts a parcel more than 15 percent occupied by buildings, streets, utilities, paved or gravel parking lots or other similar structures

2. Condition of Building Test

a. BUILDING INSPECTION

- i. The first step in the evaluation process is the building inspection. After an initial walk-thru, the inspector makes a judgment whether a building “appears” to have enough defects or deficiencies of sufficient total significance to justify substantial renovation or clearance. If it does, the inspector documents with notes and photographs code and non-code deficiencies in the building.

b. REPLACEMENT COST

- i. The second step in evaluating a building to determine if it is substandard to a degree requiring substantial renovation or clearance is to determine its replacement cost. This is the cost of constructing a new structure of the same square footage and type on site. Replacement costs were researched using R.S. Means Cost Works square foot models for 2022.
- ii. A replacement cost was calculated by first establishing building use (office, retail, residential, etc.), building construction type (wood, concrete, masonry, etc.), and building size to obtain the appropriate median replacement cost, which factors in the costs of construction in Grand Rapids, Minnesota.
- iii. Replacement cost includes labor, materials, and the contractor’s overhead and profit. Replacement costs do not include architectural fees, legal fees or other “soft” costs not directly related to construction activities. Replacement cost for each building is tabulated in Appendix A.

c. CODE DEFICIENCIES

- i. The next step in evaluating a building is to determine what code deficiencies exist with respect to such building. Code deficiencies are those conditions for a building which are not in compliance with current building codes applicable to new buildings in the State of Minnesota.
- ii. Minnesota Statutes, Section 469.174, Subdivision 10(c), specifically provides that a building cannot be considered structurally substandard if its code deficiencies are not at least 15 percent of the replacement cost of the building. As a result, it was necessary to determine the extent of code deficiencies for each building in the proposed TIF District.
- iii. The evaluation was made by reviewing all available information with respect to such buildings contained in City Building Inspection records and making interior and exterior inspections of the buildings. LHB utilizes the current Minnesota State Building Code as the official code for our evaluations. The Minnesota State Building Code is a series of provisional codes written specifically for Minnesota only requirements, adoption of several international codes, and amendments to the adopted international codes.
- iv. After identifying the code deficiencies in each building, we used R.S. Means Cost Works 2022; Unit and Assembly Costs to determine the cost of correcting the identified deficiencies. We were then able to compare the correction costs with the replacement cost of each building to determine if the costs for correcting code deficiencies meet the required 15 percent threshold.

FINDING

Two (2) out of two (2) buildings (100 percent) in the proposed TIF District contained code deficiencies exceeding the 15 percent threshold required by Minnesota Statutes, Section 469.174, Subdivision 10(c). Building Code, Condition Deficiency and Context Analysis reports for the buildings in the proposed TIF District can be found in Appendix B of this report.

d. SYSTEM CONDITION DEFICIENCIES

- i. If a building meets the minimum code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), then for such building to be “structurally substandard” under Minnesota Statutes, Section 469.174, Subdivision 10(b), the building’s defects, or deficiencies should be of sufficient total significance to justify “substantial renovation or clearance.” Based on this definition, LHB re-evaluated each of the buildings that met the code deficiency threshold under Minnesota Statutes, Section 469.174, Subdivision 10(c), to determine if the total deficiencies warranted “substantial renovation or clearance” based on the criteria we outlined above.
- ii. System condition deficiencies are a measurement of defects or substantial deterioration in site elements, structure, exterior envelope, mechanical and electrical components, fire protection and emergency systems, interior partitions, ceilings, floors, and doors.

- iii. The evaluation of system condition deficiencies was made by reviewing all available information contained in City records and making interior and exterior inspections of the buildings. LHB only identified system condition deficiencies that were visible upon our inspection of the building or contained in City records. We did not consider the amount of “service life” used up for a particular component unless it was an obvious part of that component’s deficiencies.
- iv. After identifying the system condition deficiencies in each building, we used our professional judgment to determine if the list of defects or deficiencies is of sufficient total significance to justify “substantial renovation or clearance.”

FINDING

In our professional opinion, two (2) out of two (2) buildings (100 percent) in the proposed TIF District are structurally substandard to a degree requiring substantial renovation or clearance, because of defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance. This exceeds the 50 percent requirement of Subdivision 10a(1).

3. Distribution of Substandard Structures

- e. Much of this report has focused on the condition of individual buildings as they relate to requirements identified by Minnesota Statutes, Section 469.174, Subdivision 10. It is also important to look at the distribution of substandard buildings throughout the geographic area of the proposed TIF District (Diagram 3).

FINDING

The parcels with substandard buildings are reasonably distributed compared to all parcels that contain buildings.



Diagram 3 – Substandard Buildings

Shaded yellow area depicts parcels with buildings.
Shaded orange area depicts substandard buildings.

Part 5: Team Credentials

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 34 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including a term as a City Council President, Chair of a Metropolitan Planning Organization, and Chair of the Edina Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

Appendices

- APPENDIX A** Property Condition Assessment Summary Sheet
- APPENDIX B** Building Code, Condition Deficiency and Context Analysis Reports
- APPENDIX C** Building Replacement Cost Reports
 - Code Deficiency Cost Reports
 - Photographs

APPENDIX A

Property Condition Assessment Summary Sheet

OSB Plant Redevelopment TIF District

Property Condition Assessment Summary Sheet

Grand Rapids, Minnesota

TIF Map No.	PID #	Property Address	Improved or Vacant	Survey Method Used	Site Area (S.F.)	Coverage Area of Improvements (S.F.)	Coverage Percent of Improvements	Coverage Quantity (S.F.)	No. of Buildings	Building Replacement Cost	15% of Replacement Cost	Building Code Deficiencies	No. of Buildings Exceeding 15% Criteria	No. of buildings determined substandard
A	91.019.2201	N/A	Vacant	Exterior	666,998	132,689	19.9%	666,998	0					
B	91.019.2202	N/A	Vacant	Exterior	146,824	0	0.0%	0	0					
C	91.019.2300	N/A	Improved	Interior/Exterior	1,909,440	572,850	30.0%	1,909,440	1	\$6,525,115	\$978,767	\$2,921,000	1	1
D	91.019.2403	N/A	Vacant	Exterior	561,599	0	0.0%	0	0					
E	91.019.3200	502 County Road 63	Improved	Interior/Exterior	1,849,355	739,742	40.0%	1,849,355	1	\$40,966,347	\$6,144,952	\$14,112,000	1	1
F	91.019.3102	N/A	Vacant	Exterior	850,955	93,605	11.0%	0	0					
TOTALS					5,985,171			4,425,793	2				2	2
								Total Coverage Percent:	73.9%					
												Percent of buildings exceeding 15 percent code deficiency threshold:	100.0%	
												Percent of buildings determined substandard:	100.0%	

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APPENDIX B

Building Code, Condition Deficiency and Context Analysis Reports

OSB Plant Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel C

Address:
Parcel ID:
Inspection Date(s) & Time(s):
Inspection Type:
Summary of Deficiencies:

OSB Plant – Annex

502 West County Road 63, Grand Rapids, Minnesota 55744
91-091-2300
September 19, 2022, 2:45 PM
Interior and Exterior
It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$6,525,115
Estimated Cost to Correct Building Code Deficiencies:	\$2,921,000
Percentage of Replacement Cost for Building Code Deficiencies:	44.8%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Steel structural columns should be protected from rusting per code.
3. Steel structural columns have been modified and do not comply with code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible parking.
 - b. There is no code required accessible route into the building.
 - c. There is no code compliant accessible route to all levels of the building.
 - d. There is no code compliant accessible restroom in the building.
 - e. There is no code required potable water in the building.
 - f. There is no code compliant drinking fountain in the building.
 - g. There are no code compliant showers.
2. Light and Ventilation
 - a. Lighting does not comply with code.
 - b. Electrical wiring does not comply with code.
 - c. The HVAC system does not comply with code.
 - d. The plumbing system does not comply with code.
3. Fire Protection/Adequate Egress

- a. There are no code required smoke detectors in the building.
 - b. There is no code required emergency lighting system in the building.
 - c. The emergency notification system does not comply with code.
 - d. The building sprinkler system does not comply with code.
 - e. The stairways do not comply with code.
 - f. Door hardware does not comply with code.
 - g. Thresholds do not comply with code for maximum height.
 - h. Flooring is damaged creating an impediment to emergency egress which does not comply with code.
4. Layout and Condition of Interior Partitions/Materials
- a. All interior surfaces should be repaired/repainted.
 - b. Graffiti is present and should be removed.
 - c. Interior doors are damaged and should be replaced.
 - d. Elevated platforms are not properly protected per code.
5. Exterior Construction
- a. Roofing material has failed allowing for water intrusion, contrary to code.
 - b. Sidewalls are open allowing for water intrusion which is contrary to code.
 - c. Exterior doors should be repaired, repainted, or replaced.
 - d. The surrounding green space should be mowed.
 - e. Parking lots and roadways are in disrepair.
 - f. Hollow metal steel doors are rusting and should be repainted.

DESCRIPTION OF CODE DEFICIENCIES

- 1. Steel lintels should be protected from rusting per code.
- 2. Protect steel structural columns from rusting per code.
- 3. Replace modified structural steel columns to comply with code.
- 4. Accessible parking should be created per code.
- 5. An accessible route into the building should be created per code.
- 6. An accessible route to all levels of the building should be created per code.
- 7. A code required accessible restroom should be created.
- 8. Showers should be made code compliant.
- 9. Code required potable water should be available in the building.
- 10. A code required accessible drinking fountain should be installed.
- 11. Elevated platforms should have safety toe boards installed per code.
- 12. The electrical wiring system should be replaced to comply with code.
- 13. The lighting system does not comply with code.
- 14. The HVAC system does not comply with code.
- 15. The plumbing system does not comply with code.
- 16. There are no code required smoke detectors.
- 17. There is no code required emergency lighting system installed.

18. The emergency notification system does not comply with code.
19. The building sprinkler system does not comply with code.
20. Stairways do not comply with code.
21. Door hardware does not comply with code.
22. Thresholds do not comply with code for maximum height.
23. Flooring is damaged creating an impediment to emergency egress which is contrary to code.
24. Sidewalls should be repaired/replaced to prevent water intrusion per code.
25. Roofing material has failed allowing for water intrusion, contrary to code.

OVERVIEW OF DEFICIENCIES

This manufacturing facility annex has been vacant for several years. Code required potable water is not currently available in the building. There are several steel columns that have been modified to accommodate removal of equipment that do not comply with structural code. Accessible code issues include parking, access into the building, access to all levels of the building, accessible restrooms, accessible showers, and accessible drinking fountains. The exterior metal siding is failing allowing for water intrusion which is contrary to code. Roofing material is failing allowing for water intrusion which is contrary to code. Sidewalls should be repaired/replaced to prevent water intrusion per code. The HVAC system, the plumbing system, the lighting system, and the electrical wiring do not comply with code. All life safety systems required by code are not in compliance or are not present. The interior walls and ceilings should be repaired/repainted. Flooring is damaged creating an impediment to emergency egress which is contrary to code. Stairways do not comply with code. Door hardware and thresholds do not comply with code. Graffiti should be removed.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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OSB Plant Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel E

Address:
Parcel ID:
Inspection Date(s) & Time(s):
Inspection Type:
Summary of Deficiencies:

OSB Plant – Main Building

502 West County Road 63, Grand Rapids, Minnesota 55744
91-019-3200
September 19, 2022, 2:00 PM
Interior and Exterior
It is our professional opinion that this building is Substandard because:

- Substantial renovation is required to correct Conditions found.
- Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$40,966,347
Estimated Cost to Correct Building Code Deficiencies:	\$14,112,000
Percentage of Replacement Cost for Building Code Deficiencies:	34.4%

DEFECTS IN STRUCTURAL ELEMENTS

1. Steel lintels should be protected from rusting per code.
2. Steel structural columns should be protected from rusting per code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible parking.
 - b. There is no code required accessible route into the building.
 - c. There is no code compliant accessible route to all levels of the building.
 - d. There is no code compliant accessible restroom in the building.
 - e. There is no code required potable water in the building.
 - f. There is no code compliant drinking fountain in the building.
 - g. There are no code compliant showers.
2. Light and Ventilation
 - a. Lighting does not comply with code.
 - b. Electrical wiring does not comply with code.
 - c. The HVAC system does not comply with code.
 - d. The plumbing system does not comply with code.
3. Fire Protection/Adequate Egress
 - a. There are no code required smoke detectors in the building.

- b. There is no code required emergency lighting system in the building.
 - c. Through wall, floor and ceiling penetrations should have code required fire caulking installed.
 - d. The emergency notification system does not comply with code.
 - e. The building sprinkler system does not comply with code.
 - f. The stairways do not comply with code.
 - g. Door hardware does not comply with code.
 - h. Thresholds do not comply with code for maximum height.
 - i. Flooring is damaged creating an impediment to emergency egress which does not comply with code.
4. Layout and Condition of Interior Partitions/Materials
- a. All interior surfaces should be repaired/repainted.
 - b. Graffiti is present and should be removed.
 - c. Interior doors are damaged and should be replaced.
 - d. Elevated platforms are not properly protected per code.
5. Exterior Construction
- a. Exterior windows have failed allowing for water intrusion, contrary to code.
 - b. Roofing material has failed allowing for water intrusion, contrary to code.
 - c. Exterior doors should be repaired, repainted, or replaced.
 - d. The surrounding green space should be mowed.
 - e. Parking lots and roadways are in disrepair.
 - f. Hollow metal steel doors are rusting and should be repainted.

DESCRIPTION OF CODE DEFICIENCIES

1. Steel lintels should be protected from rusting per code.
2. Protect steel structural columns from rusting per code.
3. Accessible parking should be created per code.
4. An accessible route into the building should be created per code.
5. An accessible route to all levels of the building should be created per code.
6. A code required accessible restroom should be created.
7. Code compliant showers should be installed.
8. Code required potable water should be available in the building.
9. A code required accessible drinking fountain should be installed.
10. Elevated platforms should have safety railings per code.
11. The electrical wiring system should be replaced to comply with code.
12. The lighting system does not comply with code.
13. The HVAC system does not comply with code.
14. The plumbing system does not comply with code.
15. There are no code required smoke detectors.
16. There is no code required emergency lighting system installed.
17. The emergency notification system does not comply with code.

18. The building sprinkler system does not comply with code.
19. Stairways do not comply with code.
20. Door hardware does not comply with code.
21. Thresholds do not comply with code for maximum height.
22. Flooring is damaged creating an impediment to emergency egress which is contrary to code.
23. Exterior windows have failed allowing for water intrusion, contrary to code.
24. Roofing material has failed allowing for water intrusion, contrary to code.

OVERVIEW OF DEFICIENCIES

This manufacturing facility has been vacant for several years. Code required potable water is not currently available in the building. Accessible code issues include parking, access into the building, access to all levels of the building, accessible restrooms, accessible showers, and accessible drinking fountains. The exterior metal siding is failing allowing for water intrusion which is contrary to code. Roofing material is failing allowing for water intrusion which is contrary to code. The HVAC system, the plumbing system, the lighting system, and the electrical wiring do not comply with code. All life safety systems required by code are not in compliance or are not present. The interior walls and ceilings should be repaired/repainted. Flooring is damaged creating an impediment to emergency egress which is contrary to code. Stairways do not comply with code. Door hardware and thresholds do not comply with code. Graffiti should be removed.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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APPENDIX C

Building Replacement Cost Reports

Code Deficiency Cost Reports

Photographs

OSB Plant Redevelopment TIF District

Item 24.

Replacement Cost Report

RSM means data
from **SORDIAN**

Square Foot Cost Estimate Report

Date:

10/17/2022

Estimate Name: **OSB Plant - Annex - Building B**

Building Type: **Metal Panel / Rigid Steel**

Location: **GRAND RAPIDS, MN**

Story Count: **1**

Story Height (L.F.): **36.00**

Floor Area (S.F.): **52000**

Labor Type: **OPN**

Basement Included: **No**

Data Release: **Year 2022 Quarter 3**

Cost Per Square Foot: **\$125.48**

Building Cost: **\$6,525,115.01**



Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		15.00%	\$16.37	\$851,183.47
A1010	Standard Foundations			\$4.73	\$246,146.83
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	1400		\$2.79	\$145,111.40
A10101102900	Strip footing, concrete, reinforced, load 6.8 KLF, soil bearing capacity 3 KSF, 12" deep x 32" wide	1400		\$1.75	\$91,009.10
A10102107300	Spread footings, 3000 PSI concrete, load 75K, soil bearing capacity 6 KSF, 4' - 0" square x 12" deep	26		\$0.19	\$10,026.33
A1030	Slab on Grade			\$11.44	\$594,824.88
A10301204520	Slab on grade, 6" thick, light industrial, reinforced	52000		\$11.44	\$594,824.88
A2010	Basement Excavation			\$0.20	\$10,211.76
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	52000		\$0.20	\$10,211.76
B	Shell		38.90%	\$42.44	\$2,206,956.38
B1020	Roof Construction			\$16.55	\$860,853.76
B10201245800	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load	52000		\$14.95	\$777,472.80
B10201245850	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load, add for columns	52000		\$1.60	\$83,380.96
B2010	Exterior Walls			\$6.17	\$320,861.01
B20101463400	Metal siding, steel, corrugated or ribbed, 20 ga, .0359" thick, galvanized	35280		\$5.04	\$262,056.31
B20101544100	Metal siding support, 18' building height, 30 PSF wind load, 25' column spacing, wind columns	35280		\$1.13	\$58,804.70
B2030	Exterior Doors			\$11.39	\$592,191.60
B20302205500	Door, steel, vertical lift, door with frame, motor operator, 16'-0" x 16'-0" opening	15.6		\$11.39	\$592,191.60
B3010	Roof Coverings			\$8.14	\$423,393.03
B30101300970	Roofing, corrugated, steel, galvanized, 22 ga, 1.45 PSF	52000		\$6.85	\$356,200.00
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	1400		\$0.99	\$51,463.65
B30104300040	Flashing, aluminum, no backing sides, .019"	1400		\$0.30	\$15,729.38
B3020	Roof Openings			\$0.19	\$9,656.98
B30202100200	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", aluminum	5.2		\$0.19	\$9,656.98
C	Interiors		1.21%	\$1.32	\$68,618.66
C1010	Partitions			\$0.53	\$27,554.49
C10101022000	Concrete block (CMU) partition, regular weight, hollow, 8" thick, no finish	2600		\$0.53	\$27,421.26
C10101201100	Tile partition, 8W series 8"x16", 4" thick wall, reinforced every 2 courses, glazed 2 sides	5.2		\$0.00	\$133.23
C1020	Interior Doors			\$0.31	\$16,098.20
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	10.4		\$0.31	\$16,098.20
C1030	Fittings			\$0.35	\$18,328.53
C10301100860	Toilet partitions, cubicless, floor mounted, headrail braced, plastic laminate	10.4		\$0.26	\$13,446.04

C10301101100	Entrance screens, floor mounted, 54" high, painted metal	5.2		\$0.03	\$1,708.63
C10301101300	Urinal screens, floor mounted, 24" wide, plastic laminate	7.8		\$0.06	\$3,173.86
C3010	Wall Finishes			\$0.13	\$6,637.44
C30102300300	Painting, masonry or concrete, latex, brushwork, primer & 1 coat	5200		\$0.13	\$6,637.44
D	Services		44.89%	\$48.99	\$2,547,254.54
D1010	Elevators and Lifts			\$1.78	\$92,396.70
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	1		\$1.78	\$92,396.70
D2010	Plumbing Fixtures			\$3.74	\$194,585.58
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	17.68		\$0.51	\$26,631.47
D20102102040	Urinal, vitreous china, stall type	4.42		\$0.26	\$13,281.79
D20103102080	Lavatory w/trim, wall hung, PE on Cl, 19" x 17"	17.68		\$0.83	\$42,931.99
D20104404340	Service sink w/trim, PE on Cl, wall hung w/rim guard, 24" x 20"	4.42		\$0.57	\$29,882.85
D20107101680	Shower, stall, baked enamel, terrazzo receptor, 36" square	17.68		\$1.34	\$69,473.74
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	4.42		\$0.24	\$12,383.74
D2020	Domestic Water Distribution			\$3.69	\$192,078.61
D20202502260	Gas fired water heater, commercial, 100 < F rise, 600 MBH input, 576 GPH	4.42		\$3.69	\$192,078.61
D2040	Rain Water Drainage			\$1.59	\$82,812.26
D20402104280	Roof drain, Cl, soil, single hub, 5" diam, 10' high	20.8		\$1.24	\$64,601.78
D20402104320	Roof drain, Cl, soil, single hub, 5" diam, for each additional foot add	291.2		\$0.35	\$18,210.48
D3020	Heat Generating Systems			\$8.98	\$467,098.84
D30201082040	Heating systems, steel boiler, gas, terminal unit heaters, 1,960 MBH, 26,100 SF bldg	52000		\$8.98	\$467,098.84
D3050	Terminal & Package Units			\$0.38	\$19,900.00
D30502800270	16000 CFM, 5 HP vane axial fan	2.6		\$0.38	\$19,900.00
D4010	Sprinklers			\$10.31	\$536,142.36
D40103701580	Deluge sprinkler systems, steel, extra hazard, 1 floor, 10,000 SF	52000		\$10.31	\$536,142.36
D4020	Standpipes			\$3.07	\$159,763.27
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	2		\$0.80	\$41,406.50
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	2.8		\$0.28	\$14,801.57
D40204103650	Fire pump, electric, with controller, 5" pump, 100 HP, 1000 GPM	2		\$1.99	\$103,555.20
D5010	Electrical Service/Distribution			\$1.19	\$61,999.78
D50101200280	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A	3.25		\$0.21	\$10,816.57
D50102300280	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	260		\$0.26	\$13,605.15
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	2.6		\$0.72	\$37,578.06
D5020	Lighting and Branch Wiring			\$12.88	\$669,594.64
D50201100320	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 W per SF, with transformer	52000		\$2.70	\$140,333.44
D50201350200	Miscellaneous power, to .5 watts	52000		\$0.16	\$8,492.64
D50202260680	HID fixture, 16' above work plane, 3 watt/SF, type G, 157 FC, 3 fixtures per 1000 SF	52000		\$10.01	\$520,768.56
D5030	Communications and Security			\$1.26	\$65,354.87
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	2.6		\$1.18	\$61,469.79
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	1		\$0.07	\$3,885.08
D5090	Other Electrical Systems			\$0.11	\$5,527.63
D50902100200	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 7.5 kW	2.6		\$0.08	\$4,044.40
D50902100560	Generator sets, w/battery, charger, muffler and transfer switch, diesel engine with fuel tank, 30 kW	2		\$0.03	\$1,483.23
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal	100%	\$109.12	\$5,674,013.05
Contractor Fees (General Conditions,Overhead,Profit)	15.0%	\$16.37	\$851,101.96
Architectural Fees	0.0%	\$0.00	\$0.00
User Fees	0.0%	\$0.00	\$0.00
Total Building Cost		\$125.48	\$6,525,115.01

OSB Plant Redevelopment TIF District

Code Deficiency Cost Report

Parcel C - 502 West County Road 63, Grand Rapids, Minnesota 55744
Parcel ID 91-019-2300

Building Name or Type
OSB Plant - Annex

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Accessibility Items					
	Parking				
	Create code required accessible parking	\$ 1,000.00	Lump	1	\$ 1,000.00
	Accessible Routes				
	Create a code required accessible route into the building	\$ 500.00	Lump	1	\$ 500.00
	Create a code required accessible route to all levels of the building	\$ 1.78	SF	52,000	\$ 92,560.00
	Restroom				
	Create a code required accessible restroom	\$ 1.95	SF	52,000	\$ 101,400.00
	Potable Water				
	Connect potable water to the building to comply with code	\$ 0.25	SF	52,000	\$ 13,000.00
	Drinking Fountain				
	Install code required drinking fountain	\$ 0.24	SF	52,000	\$ 12,480.00
	Showers				
	Install code compliant showers	\$ 1.34	SF	52,000	\$ 69,680.00
Structural Elements					
	Steel Lintels				
	Protect steel lintels from rusting per code	\$ 1,000.00	Lump	1	\$ 1,000.00
	Steel Structural Columns				
	Protect steel structural columns from rusting per code	\$ 0.25	SF	52,000	\$ 13,000.00
	Replace modified structural steel columns to comply with code	\$ 5.00	SF	52,000	\$ 260,000.00
Exiting					
	Emergency Lighting System				
	Install a code compliant emergency lighting system	\$ 0.75	SF	52,000	\$ 39,000.00
	Emergency Notification System				
	Install a code compliant emergency notification system	\$ 0.07	SF	52,000	\$ 3,640.00
	Emergency Exit Signs				
	Install code compliant emergency exit signs	\$ 0.65	SF	52,000	\$ 33,800.00
	Stairs				
	Modify stairs to comply with code	\$ 0.15	SF	52,000	\$ 7,800.00
	Door Hardware				
	Install code compliant door hardware	\$ 250.00	EA	15	\$ 3,750.00
	Thresholds				
	Modify thresholds to comply with code for maximum height	\$ 2,500.00	Lump	1	\$ 2,500.00

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Flooring				
	Repair/replace damaged flooring to create a code required unimpeded means for emergency egress	\$ 0.35	SF	52,000	\$ 18,200.00
	Elevated Platforms				
	Install code required toe boards on elevated platforms to comply with code	\$ 1,000.00	Lump	1	\$ 1,000.00
	Fire Protection				
	Smoke Detectors				
	Install code required smoke detectors	\$ 1.18	SF	52,000	\$ 61,360.00
	Fire Caulking				
	Install code required fire caulking at all through wall, floor, and ceiling penetrations	\$ 0.15	SF	52,000	\$ 7,800.00
	Sprinkler System				
	The building sprinkler system does not comply with code	\$ 13.38	SF	52,000	\$ 695,760.00
	Exterior Construction				
	Siding				
	Replace failed/missing siding material to prevent water intrusion per code	\$ 5.04	SF	5,000	\$ 25,200.00
	Roof Construction				
	Roofing Material				
	Replace failed roofing material to prevent water intrusion per code	\$ 8.33	SF	5,000	\$ 41,650.00
	Mechanical - Electrical				
	Mechanical				
	Install code compliant HVAC system	\$ 9.46	SF	52,000	\$ 491,920.00
	Install a code compliant plumbing system	\$ 3.69	SF	52,000	\$ 191,880.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 4.05	SF	52,000	\$ 210,600.00
	Install a code compliant lighting system	\$ 10.01	SF	52,000	\$ 520,520.00
Total Code Improvements					\$ 2,921,000

OSB Plant Redevelopment TIF District | Parcel C: 502 W County Road 63

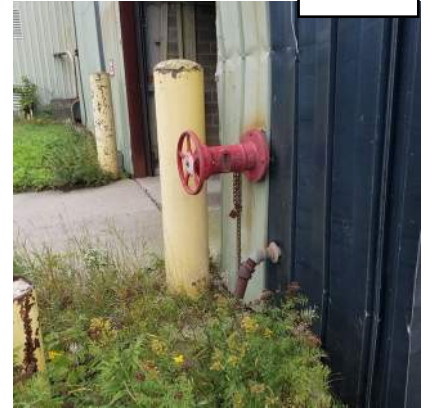
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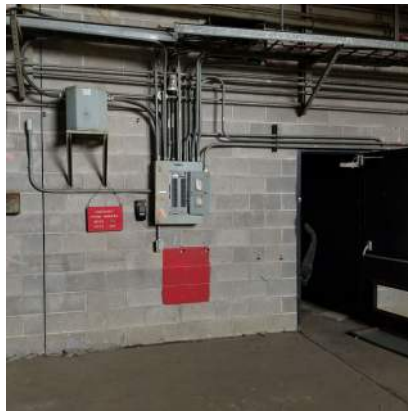
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OSB Plant Redevelopment TIF District | Parcel C: 502 W County Road 63

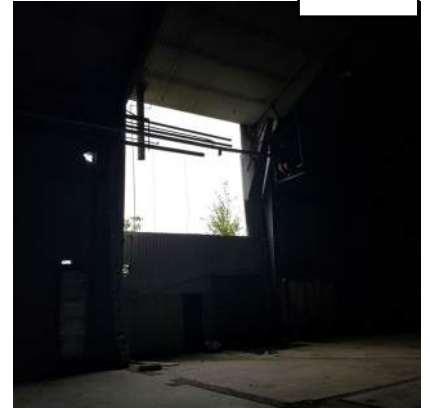
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OSB Plant Redevelopment TIF District | Parcel C: 502 W County Road 63

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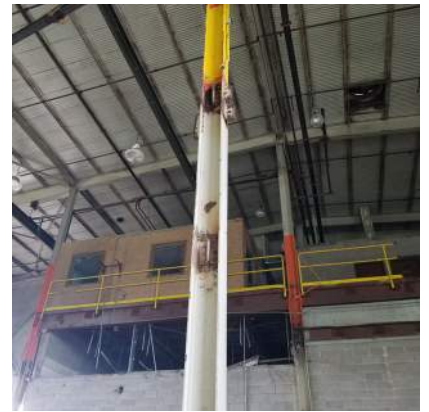
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OSB Plant Redevelopment TIF District | Parcel C: 502 W County Road 63

Item 24.



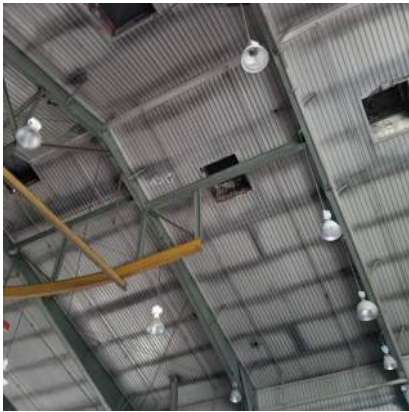
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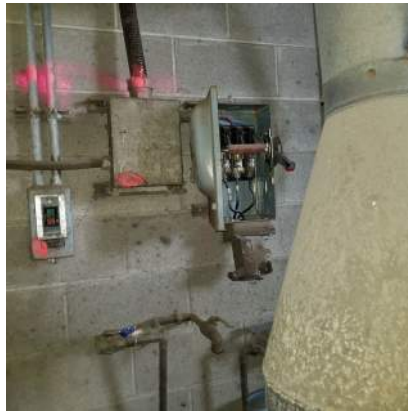
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OSB Plant Redevelopment TIF District

Item 24.

Replacement Cost Report

RSMMeans data
from SERRIAN

Square Foot Cost Estimate Report

Date:

10/17/2022

Estimate Name: **OSB Plant - Building A**

Building Type: **Sandwich Panel / Rigid Steel**

Location: **GRAND RAPIDS, MN**

Story Count: **1**

Story Height (L.F.): **36.00**

Floor Area (S.F.): **400000**

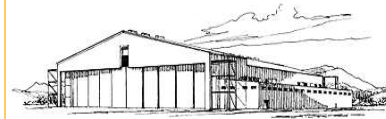
Labor Type: **OPN**

Basement Included: **No**

Data Release: **Year 2022 Quarter 3**

Cost Per Square Foot: **\$102.42**

Building Cost: **\$40,966,347.08**



Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		14.91%	\$13.28	\$5,313,121.98
A1010	Standard Foundations			\$1.65	\$658,993.98
A10101051560	Foundation wall, CIP, 4' wall height, direct chute, .148 CY/LF, 7.2 PLF, 12" thick	3450		\$0.89	\$357,595.95
A10101102900	Strip footing, concrete, reinforced, load 6.8 KLF, soil bearing capacity 3 KSF, 12" deep x 32" wide	3450		\$0.56	\$224,272.43
A10102107300	Spread footings, 3000 PSI concrete, load 75K, soil bearing capacity 6 KSF, 4' - 0" square x 12" deep	200		\$0.19	\$77,125.60
A1030	Slab on Grade			\$11.44	\$4,575,576.00
A10301204520	Slab on grade, 6" thick, light industrial, reinforced	400000		\$11.44	\$4,575,576.00
A2010	Basement Excavation			\$0.20	\$78,552.00
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	400000		\$0.20	\$78,552.00
B	Shell		46.48%	\$41.40	\$16,558,552.01
B1020	Roof Construction			\$16.55	\$6,621,952.00
B10201245800	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load	400000		\$14.95	\$5,980,560.00
B10201245850	Roof, steel joists, joist girder, 1.5" 22 ga metal deck, on columns, 50'x50' bay, 40 PSF superimposed load, 59" deep, 64 PSF total load, add for columns	400000		\$1.60	\$641,392.00
B2010	Exterior Walls			\$3.41	\$1,364,440.71
B20101464200	Metal siding, steel, sandwich panels, factory fabricated, 1" polystyrene, stl. core, 26 ga, colored 1 side	86940		\$3.41	\$1,364,440.71
B2020	Exterior Windows			\$0.04	\$15,588.00
B20201023150	Windows, wood, double hung, insulated glass, 3'-0" x 5'-6"	20		\$0.04	\$15,588.00
B2030	Exterior Doors			\$11.39	\$4,555,320.00
B20302205500	Door, steel, vertical lift, door with frame, motor operator, 16'-0" x 16'-0" opening	120		\$11.39	\$4,555,320.00
B3010	Roof Coverings			\$9.82	\$3,926,966.82
B30101300970	Roofing, corrugated, steel, galvanized, 22 ga, 1.45 PSF	400000		\$6.85	\$2,740,000.00
B30103200300	Insulation, rigid, roof deck, fiberboard, mineral, 1-1/2" thick, R4.17	400000		\$2.55	\$1,021,384.00
B30104201400	Roof edges, aluminum, duranodic, .050" thick, 6" face	3450		\$0.32	\$126,821.14
B30104300040	Flashing, aluminum, no backing sides, .019"	3450		\$0.10	\$38,761.68
B3020	Roof Openings			\$0.19	\$74,284.48
B30202100200	Roof hatch, with curb, 1" fiberglass insulation, 2'-6" x 3'-0", aluminum	40		\$0.19	\$74,284.48
C	Interiors		1.48%	\$1.32	\$526,810.96
C1010	Partitions			\$0.53	\$210,932.80
C10101022000	Concrete block (CMU) partition, regular weight, hollow, 8" thick, no finish	20000		\$0.53	\$210,932.80
C1020	Interior Doors			\$0.31	\$123,832.32
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	80		\$0.31	\$123,832.32
C1030	Fittings			\$0.35	\$140,988.64
C10301100860	Toilet partitions, cubicless, floor mounted, headrail braced, plastic laminate	80		\$0.26	\$103,431.04

C10301101100	Entrance screens, floor mounted, 54" high, painted metal	40		\$0.03	\$13,143.30
C10301101300	Urinal screens, floor mounted, 24" wide, plastic laminate	60		\$0.06	\$24,414.30
C3010	Wall Finishes			\$0.13	\$51,057.20
C30102300300	Painting, masonry or concrete, latex, brushwork, primer & 1 coat	40000		\$0.13	\$51,057.20
D	Services		37.12%	\$33.06	\$13,224,425.55
D1010	Elevators and Lifts			\$0.46	\$184,793.40
D10101102200	Hydraulic, passenger elevator, 3000 lb, 2 floors, 100 FPM	2		\$0.46	\$184,793.40
D2010	Plumbing Fixtures			\$3.74	\$1,496,812.09
D20101102000	Water closet, vitreous china, tank type, 2 piece close coupled	136		\$0.51	\$204,857.48
D20102102040	Urinal, vitreous china, stall type	34		\$0.26	\$102,167.62
D20103102080	Lavatory w/trim, wall hung, PE on Cl, 19" x 17"	136		\$0.83	\$330,246.08
D20104404340	Service sink w/trim, PE on Cl, wall hung w/rim guard, 24" x 20"	34		\$0.57	\$229,868.05
D20107101680	Shower, stall, baked enamel, terrazzo receptor, 36" square	136		\$1.34	\$534,413.36
D20108201920	Water cooler, electric, wall hung, wheelchair type, 7.5 GPH	34		\$0.24	\$95,259.50
D2020	Domestic Water Distribution			\$0.26	\$105,379.50
D20202102060	Electric water heater, residential, 100< F rise, 120 gallon tank, 23 GPH	10		\$0.26	\$105,379.50
D2040	Rain Water Drainage			\$1.59	\$637,017.44
D20402104280	Roof drain, Cl, soil, single hub, 5" diam, 10' high	160		\$1.24	\$496,936.80
D20402104320	Roof drain, Cl, soil, single hub, 5" diam, for each additional foot add	2240		\$0.35	\$140,080.64
D3020	Heat Generating Systems			\$0.57	\$226,438.00
D30201060860	Boiler, electric, steel, steam, 60 KW, 205 MBH	20		\$0.57	\$226,438.00
D3050	Terminal & Package Units			\$0.38	\$153,076.90
D30502800270	16000 CFM, 5 HP vane axial fan	20		\$0.38	\$153,076.90
D4010	Sprinklers			\$10.31	\$4,124,172.00
D40103701580	Deluge sprinkler systems, steel, extra hazard, 1 floor, 10,000 SF	400000		\$10.31	\$4,124,172.00
D4020	Standpipes			\$0.40	\$159,763.27
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	2		\$0.10	\$41,406.50
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	2.8		\$0.04	\$14,801.57
D40204103650	Fire pump, electric, with controller, 5" pump, 100 HP, 1000 GPM	2		\$0.26	\$103,555.20
D5010	Electrical Service/Distribution			\$1.19	\$476,921.38
D50101200280	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 200 A	25		\$0.21	\$83,204.38
D50102300280	Feeder installation 600 V, including RGS conduit and XHHW wire, 200 A	2000		\$0.26	\$104,655.00
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	20		\$0.72	\$289,062.00
D5020	Lighting and Branch Wiring			\$12.88	\$5,150,728.00
D50201100320	Receptacles incl plate, box, conduit, wire, 4 per 1000 SF, .5 W per SF, with transformer	400000		\$2.70	\$1,079,488.00
D50201350200	Miscellaneous power, to .5 watts	400000		\$0.16	\$65,328.00
D50202260680	HID fixture, 16' above work plane, 3 watt/SF, type G, 157 FC, 3 fixtures per 1000 SF	400000		\$10.01	\$4,005,912.00
D5030	Communications and Security			\$1.19	\$476,729.58
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	20		\$1.18	\$472,844.50
D50309100460	Fire alarm command center, addressable without voice, excl. wire & conduit	1		\$0.01	\$3,885.08
D5090	Other Electrical Systems			\$0.08	\$32,593.99
D50902100200	Generator sets, w/battery, charger, muffler and transfer switch, gas/gasoline operated, 3 phase, 4 wire, 277/480 V, 7.5 kW	20		\$0.08	\$31,110.76
D50902100560	Generator sets, w/battery, charger, muffler and transfer switch, diesel engine with fuel tank, 30 kW	2		\$0.00	\$1,483.23
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00

SubTotal	100%	\$89.06	\$35,622,910.50
Contractor Fees (General Conditions,Overhead,Profit)	15.0%	\$13.36	\$5,343,436.58
Architectural Fees	0.0%	\$0.00	\$0.00
User Fees	0.0%	\$0.00	\$0.00
Total Building Cost		\$102.42	\$40,966,347.08

OSB Plant Redevelopment TIF District

Code Deficiency Cost Report

Parcel E - 502 West County Road 63, Grand Rapids, Minnesota 55744
Parcel ID 91-019-3200

Building Name or Type
OSB Plant - Main Building

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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Accessibility Items

Parking

Create code required accessible parking	\$ 1,000.00	Lump	1	\$ 1,000.00
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Accessible Routes

Create a code required accessible route into the building	\$ 1,000.00	Lump	1	\$ 1,000.00
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Create a code required accessible route to all levels of the building	\$ 0.46	SF	400,000	\$ 184,000.00
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Restroom

Create a code required accessible restroom	\$ 1.92	SF	400,000	\$ 768,000.00
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Potable Water

Connect potable water to the building to comply with code	\$ 0.10	SF	400,000	\$ 40,000.00
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Drinking Fountain

Install code required drinking fountain	\$ 0.24	SF	400,000	\$ 96,000.00
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Showers

Install code compliant showers	\$ 1.34	SF	400,000	\$ 536,000.00
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Structural Elements

Steel Lintels

Protect steel lintels from rusting per code	\$ 5,000.00	Lump	1	\$ 5,000.00
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Steel Structural Columns

Protect steel structural columns from rusting per code	\$ 0.25	SF	400,000	\$ 100,000.00
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Exiting

Emergency Lighting System

Install a code compliant emergency lighting system	\$ 0.90	SF	400,000	\$ 360,000.00
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Emergency Notification System

Install a code compliant emergency notification system	\$ 0.25	SF	400,000	\$ 100,000.00
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Emergency Exit Signs

Install code compliant emergency exit signs	\$ 0.15	SF	400,000	\$ 60,000.00
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Stairs

Modify stairs to comply with code	\$ 0.19	SF	400,000	\$ 76,000.00
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Door Hardware

Install code compliant door hardware	\$ 250.00	EA	50	\$ 12,500.00
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Thresholds

Modify thresholds to comply with code for maximum height	\$ 10,000.00	Lump	1	\$ 10,000.00
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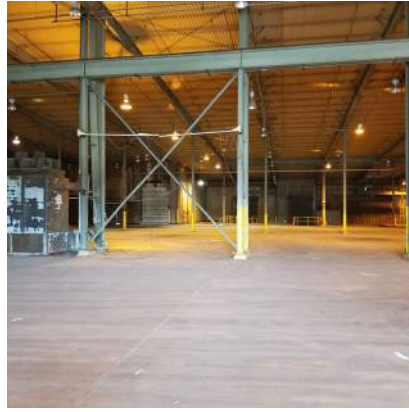
Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
	Flooring				
	Repair/replace damaged flooring to create a code required unimpeded means for emergency egress	\$ 0.65	SF	400,000	\$ 260,000.00
	Elevated Platforms				
	Install code required safety railings on elevated platforms to comply with code	\$ 2,500.00	Lump	1	\$ 2,500.00
Fire Protection					
	Smoke Detectors				
	Install code required smoke detectors	\$ 1.18	SF	400,000	\$ 472,000.00
	Fire Caulking				
	Install code required fire caulking at all through wall, floor, and ceiling penetrations	\$ 0.10	SF	400,000	\$ 40,000.00
	Sprinkler System				
	Install code compliant building sprinkler system	\$ 10.71	SF	400,000	\$ 4,284,000.00
Exterior Construction					
	Windows				
	Replace failed windows to prevent water intrusion per code	\$ 0.04	SF	400,000	\$ 16,000.00
Roof Construction					
	Roofing Material				
	Replace failed roofing material to prevent water intrusion per code	\$ 11.60	SF	50,000	\$ 580,000.00
Mechanical - Electrical					
	Mechanical				
	Install code compliant HVAC system	\$ 0.95	SF	400,000	\$ 380,000.00
	Install a code compliant plumbing system	\$ 0.26	SF	400,000	\$ 104,000.00
	Electrical				
	Install a code compliant electrical wiring system	\$ 4.05	SF	400,000	\$ 1,620,000.00
	Install a code compliant lighting system	\$ 10.01	SF	400,000	\$ 4,004,000.00
Total Code Improvements					\$ 14,112,000

OSB Plant Redevelopment TIF District | Parcel E: 502 W County Road 63

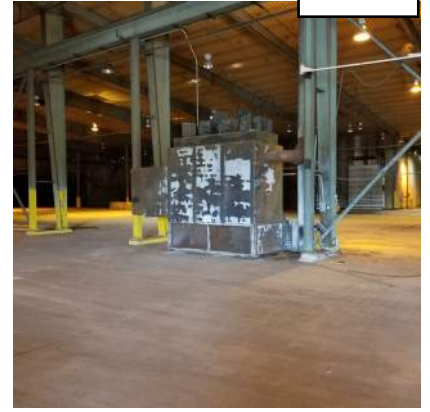
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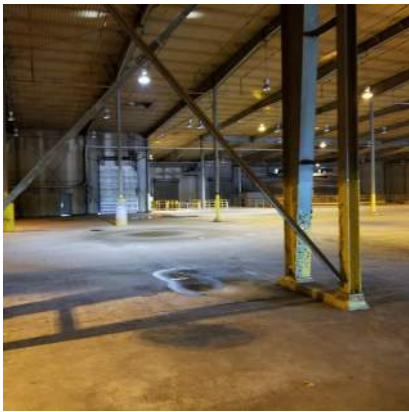
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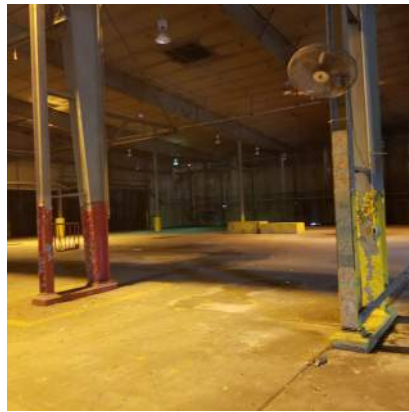
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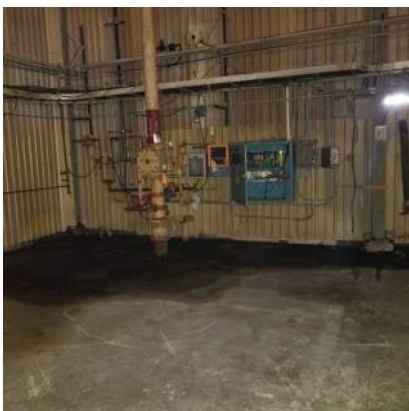
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OSB Plant Redevelopment TIF District | Parcel E: 502 W County Road 63

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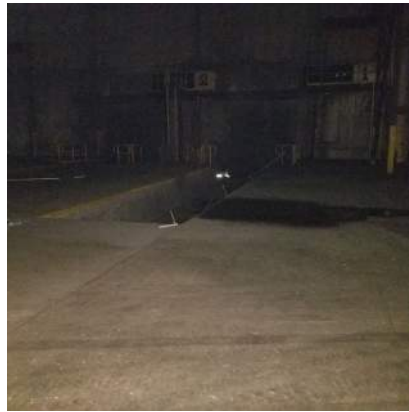
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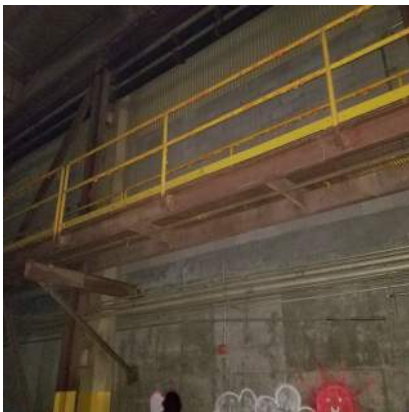
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OSB Plant Redevelopment TIF District | Parcel E: 502 W County Road 63

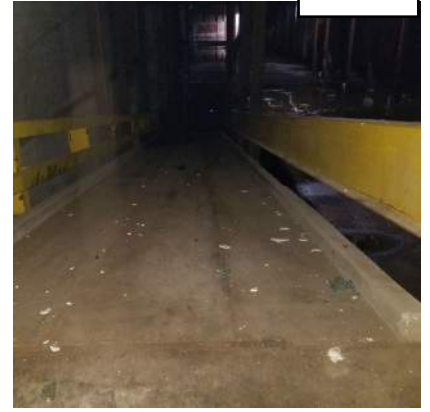
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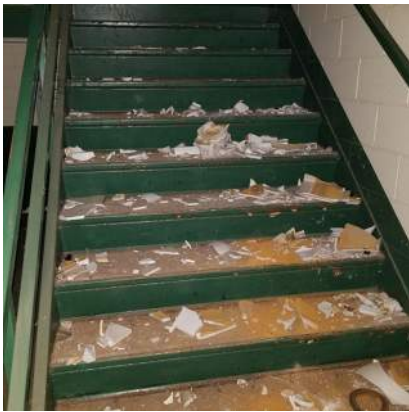
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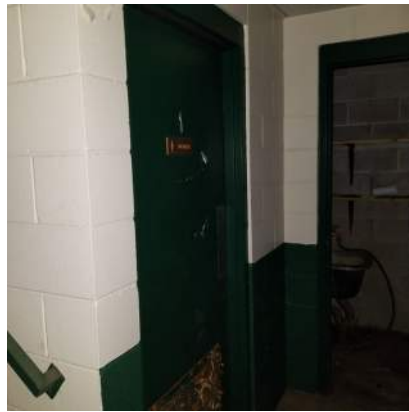
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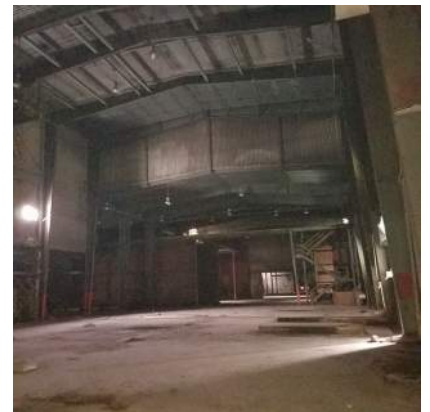
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OSB Plant Redevelopment TIF District | Parcel E: 502 W County Road 63

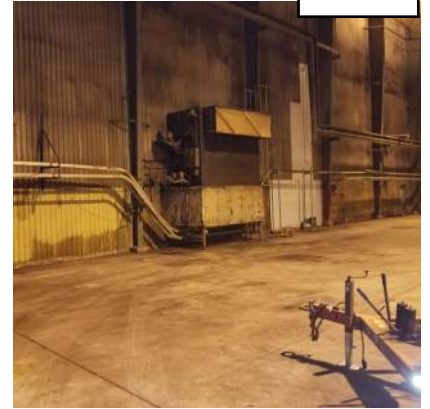
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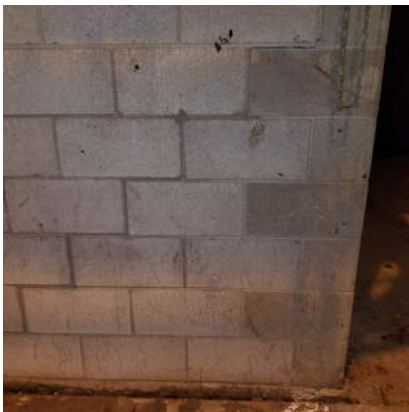
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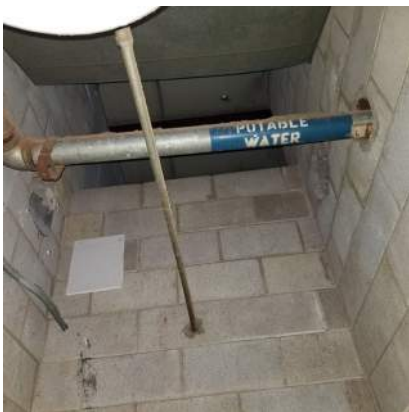
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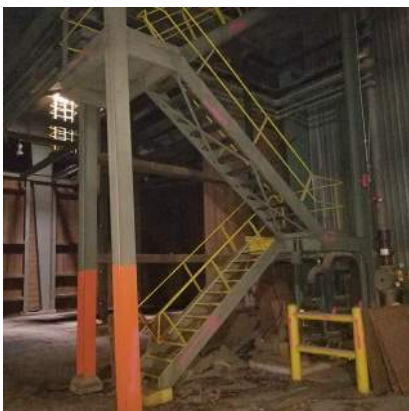
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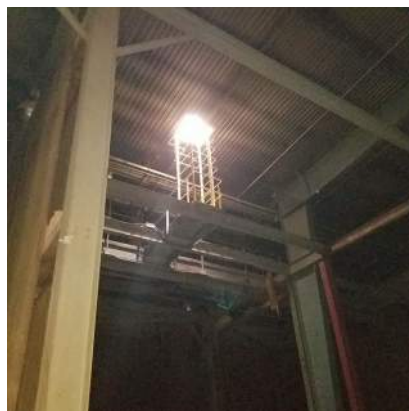
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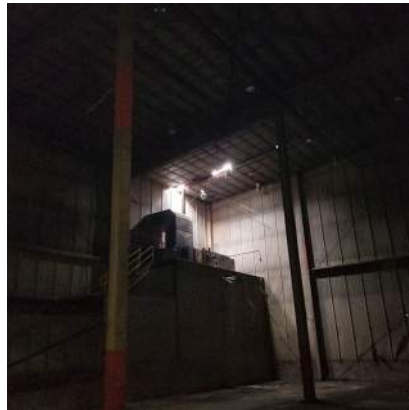
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Prepared by:



701 Washington Avenue North, Suite 200, Minneapolis, MN 55401

LHBcorp.com

LHB Project No. 221087.00



MEMORANDUM

TO: Board Members, Grand Rapids Economic Development Authority
FROM: Rebecca Kurtz and Schane Rudlang, Ehlers
DATE: April 8, 2024
SUBJECT: Financial Analysis for the HWY35 Properties, LLC Project

HWY35, LLC through their subsidiary HWY35 Properties, LLC (collectively “Developer”) has purchased a 138 acre, six-parcel site at 502 Co. Rd. 63, also known as the former Ainsworth site. The Developer intends to rehabilitate the site and lease 345,000 square feet of existing building space, primarily for cannabis related businesses (“Project”). HWY35, LLC will be seeking licensing from the Minnesota Office of Cannabis Management to perform and/or manage the cannabis business operations. The Developer has applied to the City of Grand Raids (the “City”) and the Grand Rapids EDA (“GREDA”) to receive \$2,000,000 of tax increment financing assistance (“Assistance”) for the purchase and site development costs. Ehlers reviewed the request for Assistance which is summarized herein.

Financial Review

Ehlers evaluated the need for Assistance by analyzing the Developer’s sources and uses, budget, and financial projections, generally known as a proforma. We reviewed the Project based on industry standards for construction, land, and project costs; operating expenses; underwriting and financing criteria; and cash flow.

The analysis focused on the gap related to the acquisition and site development costs of \$14.5 million. HWY35 Properties purchased the site from a non-related entity for \$4.5 million. Site development costs are estimated to be \$10 million.

The tenant HWY 35 will complete the improvements to the current building estimated at an additional \$50.7 million plus an estimated \$5 million for working capital. The estimated total project cost is \$71.15 million.

The financing sources for this project are unique given the underlying nature of the tenant’s business. Investors will purchase promissory notes that will convert to shares in HWY35 LLC, if and when State licensing occurs and if the investors meet the requirements enacted by the State, which are unknown today. There are several tiers or tranches of investor shares which would receive varying returns. The Sources and Uses related to the acquisition and site improvements are summarized below.



SOURCES		
	Amount	Pct.
Developer Financing - Other Loans	\$ 3,300,000	23%
Developer Equity - A-Shares and B-Shares	\$ 9,200,000	63%
TIF Assistance	\$ 2,000,000	14%
TOTAL SOURCES	\$ 14,500,000	100%

USES		
	Amount	Pct.
Acquisition Costs and Closing Fees	\$ 4,500,000	31%
Site Costs	\$ 10,000,000	69%
TOTAL USES	\$ 14,500,000	100%

The Developer Equity in the form of shares above at 63% of project costs is higher than a typical development where equity requirements are 20-50% depending on the type of project. Higher equity requirements are common for projects that represent higher risk. Higher risk is typically commensurate with higher investment returns, which the Developer is targeting with this project.

Given the complexities discussed above, Ehlers focused the financial review of the Project considering the lease rates that the underlying tenant or tenants would pay in the building and looking at traditional revenues and expenses for an industrial building, which in essence the project really is - although with a novel industrial/manufacturing focus.

Yield on Cost is a standard financing metric used to determine project feasibility which divides Total Development Costs ("TDC") by Net Operating Income ("NOI") and is independent of equity and loans. Because of Yield on Cost being independent of debt and equity, it is appropriate to use to analyze this unique project. Yield on Cost at the rent levels that the Developer is assuming are at the low end of the normal market range with Assistance and would be at the higher end of normal with 20% higher rents. Without assistance, Yield on Cost would be well below market ranges. Therefore, the assistance amount of \$2 million is justified to bring Yield on Cost to within a normal, financeable, range.

Recommendation

Based on our review of the Developer's proforma and under current market conditions, the proposed development may not reasonably be expected to occur solely through private investment within the near future. We conclude a present value of up to \$2.0 million of TIF Assistance is warranted, which would be paid out via a pay-as-you-go TIF Note over 8-12 years.

Please contact either of us at 651-697-8500 with any questions.



Planning Commission Staff Report

Agenda Item	Community Development Department	Date: 4/18/2024
Statement of Issue:	Conduct a Public Hearing to consider the preliminary plat of Hawkinson Commercial Development Second Addition.	
Background:	<p>A proposed preliminary plat entitled Hawkinson Development Second Addition was submitted by Mr. Mark Hawkinson of Round 2 Development, LLC. (Property Owner) and Mr. Stephen Welliver, Wellson Group Inc. on March 26, 2024.</p> <p>The property included in the preliminary plat includes:</p> <p>Lot 1 (2.05 acres) Currently working on a sales agreement for development Lot 2 (1.14 acres) Vacant OUTLOT A (6.55 acres) Vacant</p> <p>The subject property was part of a greater minor subdivision petition in 2021 entitled “Hawkinson Commercial Development” which consisted of 22.28 acres in area, including proposed right-of-way, and generally located south of Home Depot & Applebee’s, and north of 29th Street SE.</p> <p>The current GB (General Business) zoning designation is appropriate for intended uses, thus no additional changes are needed.</p> <p>Because this property was previously platted (2021), the parkland dedication fee required by the Subdivision Ordinance has already paid to the City.</p>	
Considerations:	When reviewing the minor subdivision, the Planning Commission needs to make findings as to whether the preliminary plat conforms to the subdivision ordinance and if it is consistent with the Comprehensive Plan.	
Recommendation:	<p>Staff recommends that the Planning Commissioners review the preliminary plat and associated documents, review the comments submitted by the Review Committee, and review the relevant sections of the Comprehensive Plan and Subdivision Ordinance.</p> <p>Prior to making a motion to recommend to the City Council approval or denial of the minor subdivision, the Planning Commission should make specific findings to support their recommendation in the topical areas outlined within their list of considerations.</p> <p>If those findings are favorable, the Planning Commission should pass a motion to recommend approval to the City Council. (See example motion) If the</p>	

	<p>findings are unfavorable, and the Planning Commission feels that significant changes are necessary, the matter could be tabled at a future meeting date allowing sufficient time for revisions to be made and reviewed.</p> <p>Any preliminary comments or changes will be incorporated into the final plat.</p>
Required Action:	<p>Pass a motion forwarding a recommendation to the City Council for approval of the minor subdivision.</p> <p><u>Example Motion:</u></p> <p>Motion by _____, second by _____ that, based on the findings of fact presented here today, and in the public’s best interest, the Planning Commission does hereby forward to the City Council a recommendation to approve the minor subdivision of Hawkinson Commercial Development Second Addition.</p> <ul style="list-style-type: none">• <i>Any additional revisions the Planning Commission sees as necessary</i>
Attachments:	<ul style="list-style-type: none">• Proposed Minor Subdivision and Associated Documents• Site Map



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IT'S IN MINNESOTA'S NATURE

Item 25.

Proposed Minor Subdivision

Final Plat of Hawkinson Commercial Development Second Addition

April 22, 2024



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ITS IN MINNESOTA'S NATURE

Final Plat

- **Petitioner: Round 2 Development, LLC**
- **Preliminary Plat: Hawkinson Commercial Development Second Addition.**
- **Past Use of Property: Hawkinson Commercial Development, platted in 2021.**
- **Current use of property: General Business**
- **Proposed Subdivision: A division of Outlot A described as PARTS OF THE SOUTHEAST QUARTER OF THE NORTHWEST QUARTER OF SECTION 33, TOWNSHIP 55 NORTH, RANGE 25 WEST, ITASCA COUNTY MINNESOTA**



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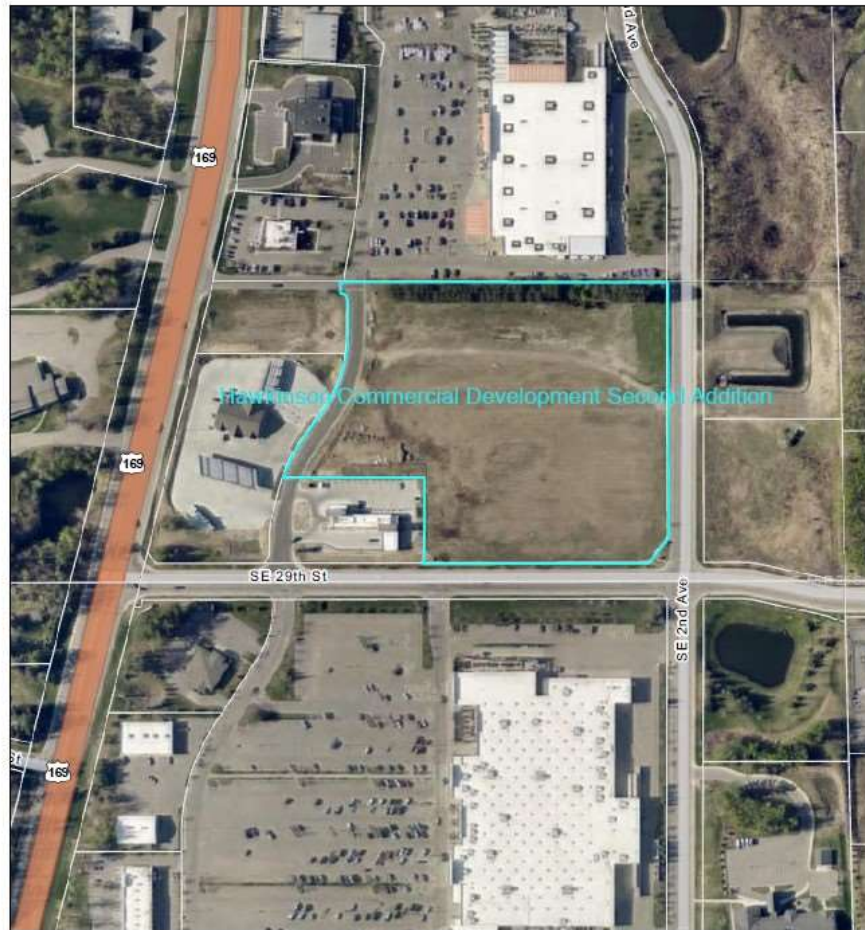
Hawkinson Commercial Development:

22.28 acres in area, including proposed right-of-way, and generally located south of Home Depot & Applebee's, and north of 29th Street SE.


Final Plat

Item 25.

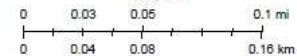
Hawkinson Commercial Development Second Addition



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 Tax Parcel

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IT'S IN MINNESOTA'S NATURE

Item 25.

Final Plat

Hawkinson Commercial Development Second Addition

Review Committee:

- GR PUC
- GR Public Works Dept./Engineering Dept.
- Fire Dept.
- Parks & Rec. Dept.
- Comm. Development Dept.

NO COMMENTS



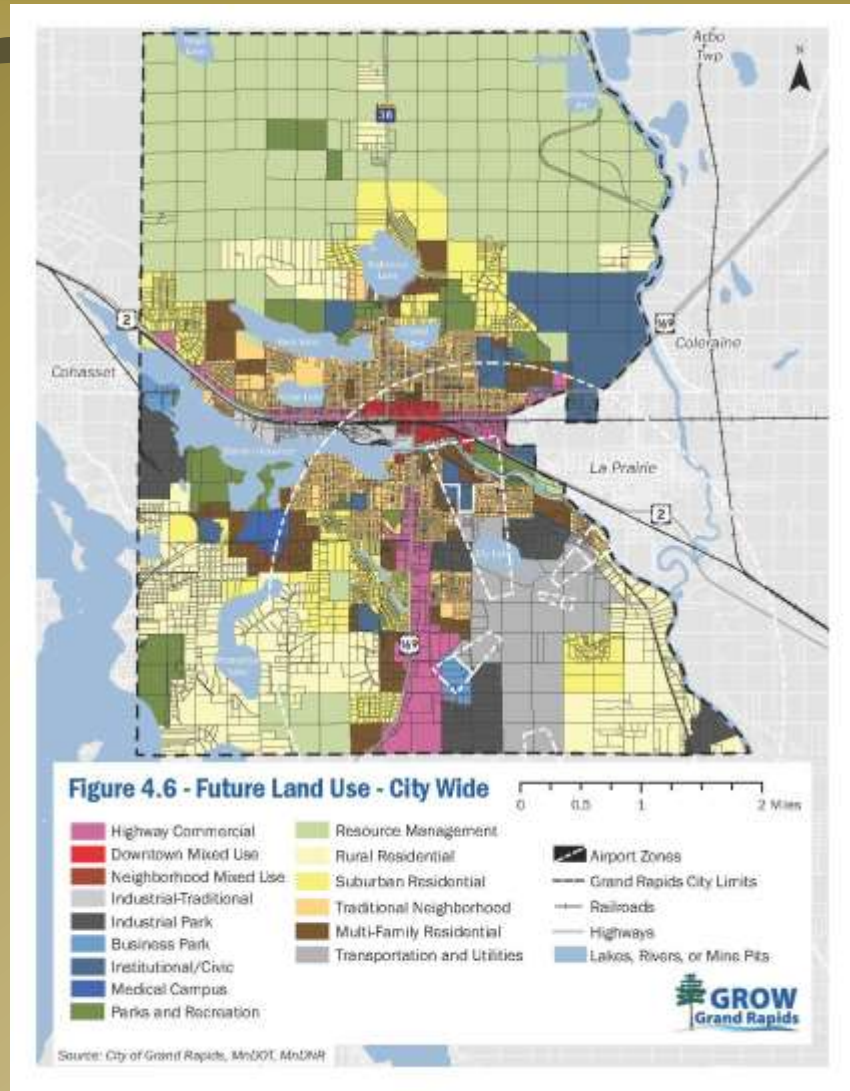


Final Plat

Item 25.

Comprehensive Plan:

- The 2020 Comprehensive Plan's general vision for land use in the area of this proposed subdivision is that of Highway Commercial, which is consistent with the current zoning designation, as well as the existing uses along the eastern side of Hwy #169 in this area.



Final Plat



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IT'S IN MINNESOTA'S NATURE

Planning Commission Considerations:

The Planning Commission held a public hearing on the preliminary plat on April 18, 2024.

The Planning Commission approved a recommendation to the City Council for approval of the plat.

*any changes from the preliminary/final plat will be incorporated into the final plat.

PLANNING COMMISSION

CONSIDERATIONS

SUBDIVISIONS

1. Has there been a change in the development policies of the community?
2. Was there a mistake in the original zoning ordinance?
3. Is the Zoning Ordinance up to date?
4. Is the proposed subdivision compatible with adjacent land uses?
5. Will the proposed subdivision cause undue traffic congestion?
6. Will the proposed subdivision affect public utilities?
7. Will the proposed subdivision be detrimental to public health, morals, or general welfare?
8. Will the proposed subdivision impede orderly development of other property in the area?
9. Will the proposed subdivision cause a decrease in value of adjacent property?
10. Will the proposed subdivision increase tax revenues?
11. Will the proposed subdivision impose an excessive burden on parks and other public facilities?
12. Is the proposed subdivision consistent with the Comprehensive Plan?



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

Item 25.

Questions?



Minor Subdivision Application
Community Development Department
420 North Pokegama Ave.
Grand Rapids, MN 55744
Tel. (218) 326-7601 Fax (218) 326-7621
Web Site: www.cityofgrandrapidsmn.com

All subdivisions in the City of Grand Rapids shall be in compliance with the Grand Rapids City Code, Articles V (Subdivisions) and VI (Zoning). The City Code can be viewed on the City of Grand Rapids web site, www.cityofgrandrapidsmn.com (follow the prompts for City Code).

PLAT NAME: HAWKINSON COMMERCIAL DEVELOPMENT SECOND ADDITION

Applicant/Business Name: Round 2 Development, LLC Wellson Group Inc.

Contact Person: Mark Hawkinson Stephen Welliver

Address: 501 W. County Road 63, Grand Rapids, MN. Zip: 55744

Telephone:(Work) 218-244-4409 Mark (Other) _____ (Fax) 218-340-6790 Stephen

E-mail Address: mark@hawkinsonconstruction.com swelliver@wellson group.com

Interest In Property: OWNER

Property Owner(s) of record: Round 2 Development, LLC - Mark Hawkinson

Address: 501 W. County Road 63, Grand Rapids, MN. Zip: 55744

Telephone:(Work) 218-244-4409 (Other) _____ (Fax) _____
mark@hawkinsonconstruction.com

Surveyor or Engineer: Short Elliott Hendrickson, Inc. (SEH) - Daniel Bemboom

Address: 2351 Connecticut Ave, Suite 300, Sartell, MN. 56377

Telephone:(Work) 320-774-6895 (Other) 320-250-0152 (Fax) _____

E-mail Address: dbemboom@sehinc.com

Office Use Only

Date Received 03/26/2024 Certified Complete Y Fee Paid Y

Does the subdivision boundary abut a state rail bank or established trunk highway (requiring road review): Yes No

Planning Commission Recommendation: Approved _____ Denied _____ Meeting Date 04/18/2024

City Council Action: Approved _____ Denied _____ Meeting Date 04/22/2024

Parcel Information:

Tax Parcel #(s) 91-546-1000 Property Size(acres): 91-546-1000

Number of Existing Lots: 1 Outlot Number of Proposed Lots: 2 Lots and 1 Outlot

Existing Zoning: General Business Proposed Zoning*1: Same

Existing Use: Vacant Outlot Proposed Use(s): Commercial Lots

Property Address/Location: Unassigned address- NW of SE 29th St & SE 2nd Ave

Legal Description: Outlot A, Hawkinson Commercial Development
(include electronic version with application)

Does the proposed subdivision meet the following criteria:

- Does not require the dedication of rights of way or construction of new streets;
- Does not require the creation of any public utility easements other than the standard required easements of platted lots;
- Does not create a need for any public improvements;
- Does not landlock or otherwise impair convenient ingress and egress to or from the rear or side of the subject tract or any adjacent property;
- Does not fall within the corridors of any planned or proposed street as shown upon the official map or approved area plans; and
- Does not violate any local, state or federally adopted law, ordinance, regulation, plan or policy.

Applications must be received no later than the end of the first week of the month, to allow sufficient time for review by staff and the department head review committee. Planning Commission meetings are held on the first Thursday of each month.

*1 If a zoning change is required, a petition for rezoning must be filed separately.

I(we) certify that, to the best of my(our) knowledge, information, and belief, all of the information presented in this application is accurate and complete and includes all required information and submittals, and that I consent to entry upon the subject property by public officers, employees, and agents of the City of Grand Rapids wishing to view the site for purposes of processing, evaluating, and deciding upon this application.


Signature(s) of Applicant(s)

3/27/25
Date


Owners Signature (if different than applicant)

3/27/25
Date

Required Submittals: The following items must be provided with your application, unless the Director of Community Development waives the requirement.

Application Fee - \$1,200.00 *2

Proof of Ownership – (a copy of a property tax statement or deed will suffice)

2 copies of the Preliminary Plat (D- size--22" X 34") } SENT TO CITY IN CAD FORMAT

1 copy of the Preliminary Plat (B size—11" x 17") } FROM SEH

A letter from the County Recorder verifying that the subdivision name is not duplicated elsewhere in the County.

A typed letter, addressed to the Grand Rapids Planning Commission, indicating the following:

- A statement of the proposed use of all of the lots
- A listing of any proposed protective covenants.
- Proposed reapportionment of any existing assessments.

} SEE ATTACHED NARRATIVE

A letter from the Itasca County Soil and Water Conservation District verifying the presence/or lack of wetlands.

A copy of an updated Title Opinion or Title Insurance Policy showing proof of ownership of the property being subdivided.

A copy of a current Assessment Certificate from the City Clerk showing whether or not there are any current assessments on the property.
STEVE WELLIVER SENT CITY OF GRAND RAPIDS

Copy of current year's Tax Statement.

Electronic files of any written project statements, legal descriptions, or narratives, and plans in Microsoft Word format and pdf.
SEE ATTACHED NARRATIVE

**2The application fees charged are used for postage to mail the required notices to adjacent properties, publication of the public hearing notice in the Grand Rapids Herald Review, and for a small portion of staff time for case review and preparation of documents. It is the policy of the City of Grand Rapids to require applicants for land use approvals to reimburse the City for costs incurred by the City in reviewing and acting upon applications, so that these costs are not borne by the taxpayers of the City.*

INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED

More information may be requested by the City of Grand Rapids Planning Commission or City Council, if deemed necessary to properly evaluate your request. The lack of information requested may be in itself sufficient cause to deny an application.

ITASCA COUNTY
 Itasca County
 Auditor/Treasurer
 123 NE 4th Street
 Grand Rapids MN
 55744

218-327-2859
 www.co.itsca.mn.us

Property ID: 91-546-1000
 Owner: ROUND 2 DEVELOPMENT LLC

Taxpayer(s):

TAXPAYER # 141387
 ROUND 2 DEVELOPMENT LLC
 501 W CO RD 63
 GRAND RAPIDS MN 55744

Property Description:

GRAND RAPIDS CITY
 SEC:33 TWP: 55.0 RG:25 LOT: BLK: ACRES:
 HAWKINSON COMMERCIAL DEVELOPMENT
 OUTLOT A

PROOF OF OWNERSHIP

2023 Property Tax Statement

Item 25.

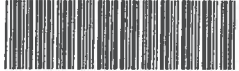
		VALUES & CLASSIFICATION	
		Taxes Payable Year: 2022	2023
STEP	Estimated Market Value:	492,800	891,900
	Homestead Exclusion:		
STEP 1	Taxable Market Value:	492,800	891,900
	New Improvements/		
	Expired Exclusions:		
	Property Classification:	COMM	COMM
Sent in March 2022			
STEP 2	PROPOSED TAX		
Proposed Tax:(excluding special assessments) Sent in November 2022			
STEP 3	PROPERTY TAX STATEMENT		
First-half Taxes: May 15			15,291.00
Second-half Taxes: October 16			15,291.00
Total Taxes Due in 2023:			30,582.00

\$\$\$ REFUNDS? You may be eligible for one or even two refunds to reduce your property tax.
 Read the back of this statement to find out how to apply.

	Taxes Payable Year: 2022	2023
1. Use this amount on Form M1PR to see if you're eligible for a property tax refund. File by August 15. If box is checked, you owe delinquent taxes and are not eligible.	<input type="checkbox"/>	
2. Use these amounts on Form M1PR to see if you are eligible for a special refund.		
PROPERTY TAX AND CREDITS		
3. Property tax before credits	18,804.00	30,582.00
4. Credits that reduce property taxes:		
A. Agricultural and rural land credits		
B. Taconite tax relief		
C. Other credits		
5. Property tax after credits	18,804.00	30,582.00
PROPERTY TAX BY JURISDICTION		
6. County	4,158.50	6,550.22
7. City or Town	5,727.65	9,693.84
8. State General Tax	2,760.28	4,896.95
9. School District: A. Voter approved levies	403.29	700.60
0318 B. Other local levies	1,739.86	2,579.14
10A. Special taxing district	19.26	30.60
B. Tax increment		
C. Fiscal disparity	3,995.16	6,130.65
11. Non-school voter approved referenda levies		
12. Total property tax before special assessments	18,804.00	30,582.00
SPECIAL ASSESSMENTS		
13A.		
B.		
C.		
14. Total property tax and special assessments	18,804.00	30,582.00

ISSUED: 11/05/2023

2 ND HALF PAYMENT STUB



*915461000

TAXPAYER # 141387
 ROUND 2 DEVELOPMENT LLC

COMM ACCT# 87202

Property ID Number:	91-546-1000
Full Tax for Year	30,582.00
Balance Due	.00
Penalty	
Total Paid	

\$30.00 service charge for all returned checks.

Pay on or before October 16 to avoid penalty
Real Estate ITASCA COUNTY

Note: When you provide a check as payment you authorize the County to use information from your check to make a one-time electronic fund transfer from your account. The funds may be withdrawn from your account the same day. You will not receive your check back from your financial institution.

Make checks payable to:
 County Auditor/Treasurer

Mail to: Itasca County
 Auditor/Treasurer
 123 NE 4th Street
 Grand Rapids MN
 55744

Payable in 2023

R

- CASH
- CHECK
- COUNTER
- MAIL

TAXES PAID IN FULL

ISSUED: 11/05/2023

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Check if address change on back
 If box is checked you owe delinquent taxes
 Detach stub and include with second half payment

1 ST HALF OR FULL PAYMENT STUB



*915461000

TAXPAYER # 141387
 ROUND 2 DEVELOPMENT LLC

COMM ACCT# 87202

Property ID Number:	91-546-1000
Full Tax for Year	30,582.00
Balance Due	.00
Penalty	
Total Paid	

\$30.00 service charge for all returned checks.

Pay on or before May 15 to avoid penalty
Real Estate ITASCA COUNTY

Note: When you provide a check as payment you authorize the County to use information from your check to make a one-time electronic fund transfer from your account. The funds may be withdrawn from your account the same day. You will not receive your check back from your financial institution.

Make checks payable to:
 County Auditor/Treasurer

Mail to: Itasca County
 Auditor/Treasurer
 123 NE 4th Street
 Grand Rapids MN
 55744

Payable in 2023

R

- CASH
- CHECK
- COUNTER
- MAIL

Check if address change on back
 If box is checked you owe delinquent taxes
 Detach stub and include with first half or full payment

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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider adopting a resolution approving the final plat of Hawkinson Commercial Development Second Addition

PREPARED BY: Dan Swenson, Assistant Director of Community Development

BACKGROUND:

A proposed final plat entitled Hawkinson Development Second Addition was submitted by Mr. Mark Hawkinson of Round 2 Development, LLC. (Property Owner) and Mr. Stephen Welliver, Wellson Group Inc. on March 26, 2024.

The property included in the final plat includes:

Lot 1 (2.05 acres) Currently working on a sales agreement for development.
 Lot 2 (1.14 acres) Vacant
 OUTLOT A (6.55 acres) Vacant

The subject property was part of a greater minor subdivision petition in 2021 entitled “Hawkinson Commercial Development” which consisted of 22.28 acres in area, including proposed right-of-way, and generally located south of Home Depot & Applebee’s, and north of 29th Street SE.

At their April 18, 2024 meeting, the Planning Commission took up consideration of the preliminary plat of Hawkinson Commercial Development Second Addition, conducted a public hearing, and made a recommendation to the City Council for its approval (See PowerPoint).

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution approving the final plat of Hawkinson Commercial Development Second Addition. Any changes will be incorporated into the final plat.

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

THE CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. 24-__

**THE MINOR SUBDIVISION ENTITLED
“HAWKINSON COMMERCIAL DEVELOPMENT SECOND ADDITION”**

WHEREAS, on April 18, 2024, at a special meeting, the Grand Rapids Planning Commission conducted a public hearing on the minor subdivision entitled Hawkinson Commercial Development Second Addition, and

WHEREAS, on April 18, 2024, the Planning Commission found the minor subdivision to be in substantial compliance with the City Code, and recommended approval of said minor subdivision, and

WHEREAS, the City Council reviewed the minor subdivision of Hawkinson Commercial Development Second Addition to Grand Rapids on April 22, 2024, and found the plat to be in compliance with the City Code, and

WHEREAS, the final plat of Hawkinson Commercial Development Second Addition conforms to the approved preliminary plat.

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Grand Rapids as follows:

That the plat of Hawkinson Commercial Development Second Addition, a minor subdivision of the City of Grand Rapids, is hereby approved.

Approved by the City Council of the City of Grand Rapids this 22nd day of April 2024.

Tasha Connelly, Mayor

Attest:

Kim Gibeau, City Clerk

Grand Rapids City Council member _____ seconded the foregoing resolution and the following voted in favor thereof; _____; and the following voted against same _____; whereby the resolution was declared duly passed and adopted.



CITY OF
GRAND RAPIDS
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REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Conduct a Public Hearing to consider the rezoning of land from AP (Airport District) to I-1 (Industrial Park) for a portion of parcel 91-033-1406 (4.3 acres).

PREPARED BY: Dan Swenson, Assistant Director of Community Development

BACKGROUND:

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

REQUESTED COUNCIL ACTION:

Conduct a Public Hearing to consider the rezoning of land from AP (Airport District) to I-1 (Industrial Park) for a portion of parcel 91-033-1406 (4.3 acres).



CITY OF
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ITS IN MINNESOTA'S NATURE

Public Hearing Zoning Map Amendment

April 22, 2024

**City of Grand Rapids/Itasca County
Parcel 91-033-1406**

**AP (Airport District)
to
I-1 (Industrial Park)**



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

Zoning Map Amendment

Petitioned Zoning Map Amendment

- **Petitioner: Grand Rapids Planning Commission**
- **Requested Zoning Map Amendment: rezoning from current AP (Airport District) to that of I-1 (Industrial Park)**
- **Subject Property: A 4.3 Acre Portion of 91-033-1406 legally described in the proposed resolution.**
- **Present Use: Airport District**
- **Intended Use: Industrial Park**

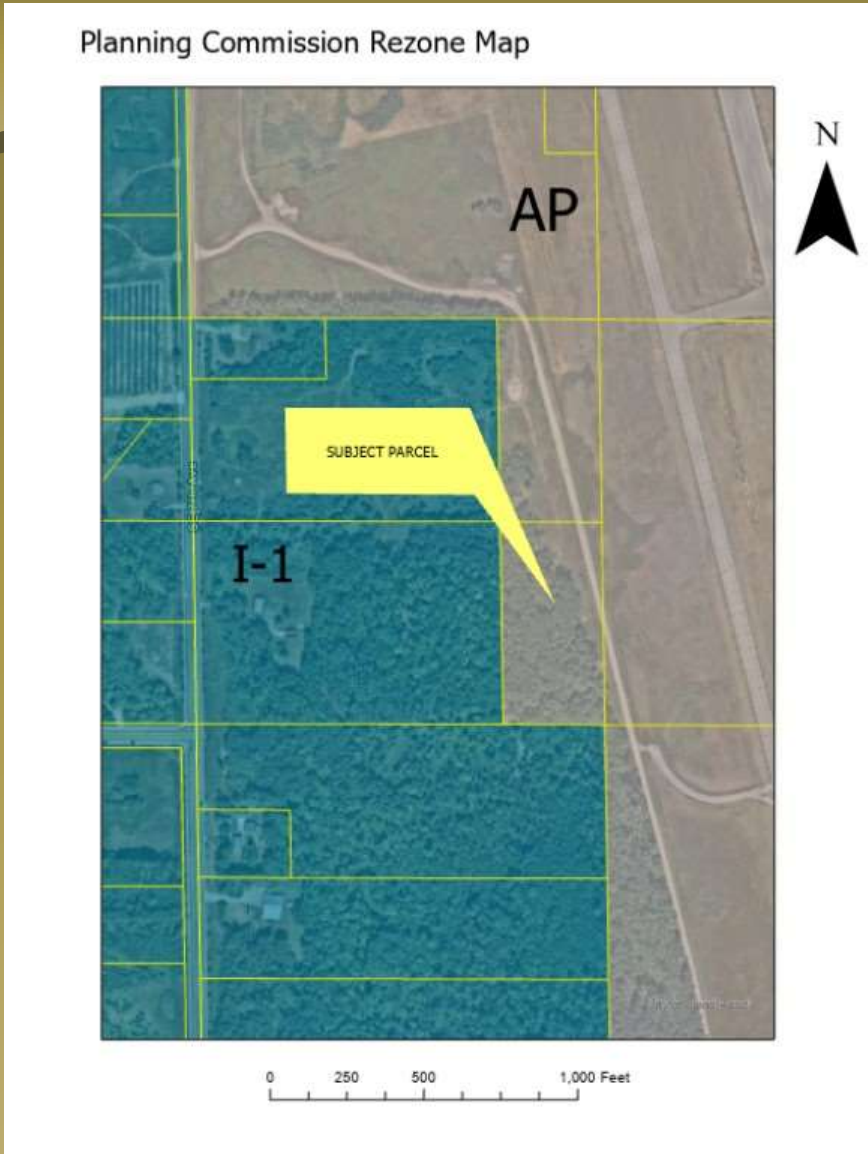


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Zoning Map Amendment

Item 27.

Surrounding Zoning:



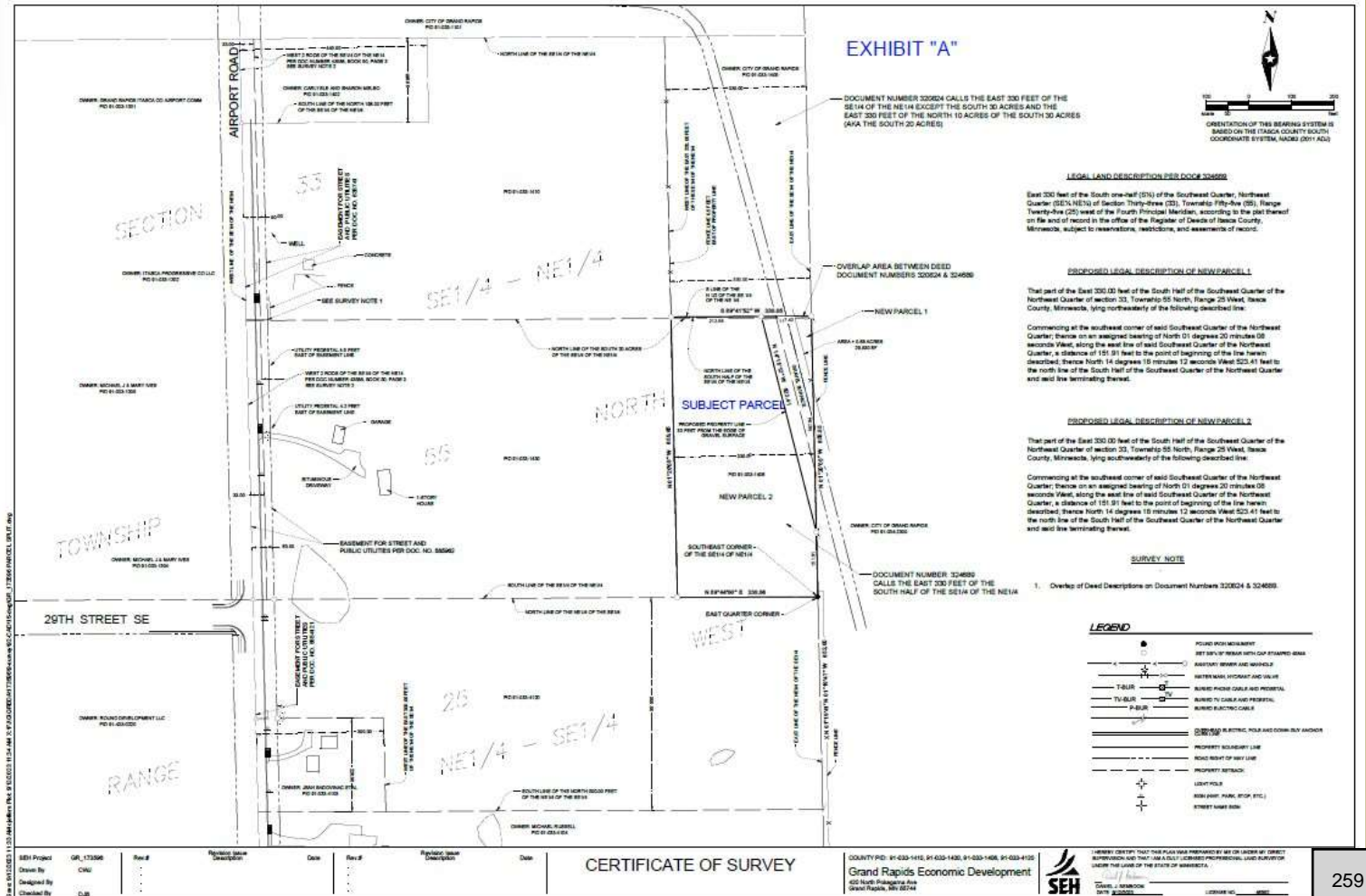


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Item 27.

Zoning Map Amendment

Subject Parcel:





CITY OF
GRAND RAPIDS
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Zoning Map Amendment

Section 30-512 Table-1 Permitted Uses

A sample listing of the uses permitted by right in the requested I-1 zoning district are as follows:

- **Industrial – Monument Work/sales, manufacturing (light and heavy), recycling center, wholesale distribution facility, outdoor storage (merchandise and material)**

A sampling of other uses permitted in R-4 with additional restrictions (CUP) include:

- **Mining of Sand and Gravel**



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Zoning Map Amendment

Section 30-512 Table 2A Development Regulations

Yard and Bulk Requirement comparison between requested zoning and existing:

	I-1 (requested)	AP (existing)
Min. Lot Size	Gross area - 1 Acre Width- 150 ft.	Gross area - N/A Width - 50 ft.
Min. Yard Setbacks	Front - 50 ft. Int. side - 25 ft. Street side - 25 ft. Rear- 25 ft.	Front - 50 ft Int. side- 50 ft. Street side- 50 ft. Rear- 50 ft.
Max. Lot Coverage	Building - 50%	Building - N/A
Building Size	Max. Height - 45 ft. Min. Dimension - 24 ft.	Max. Height - N/A Min Dimension - N/A



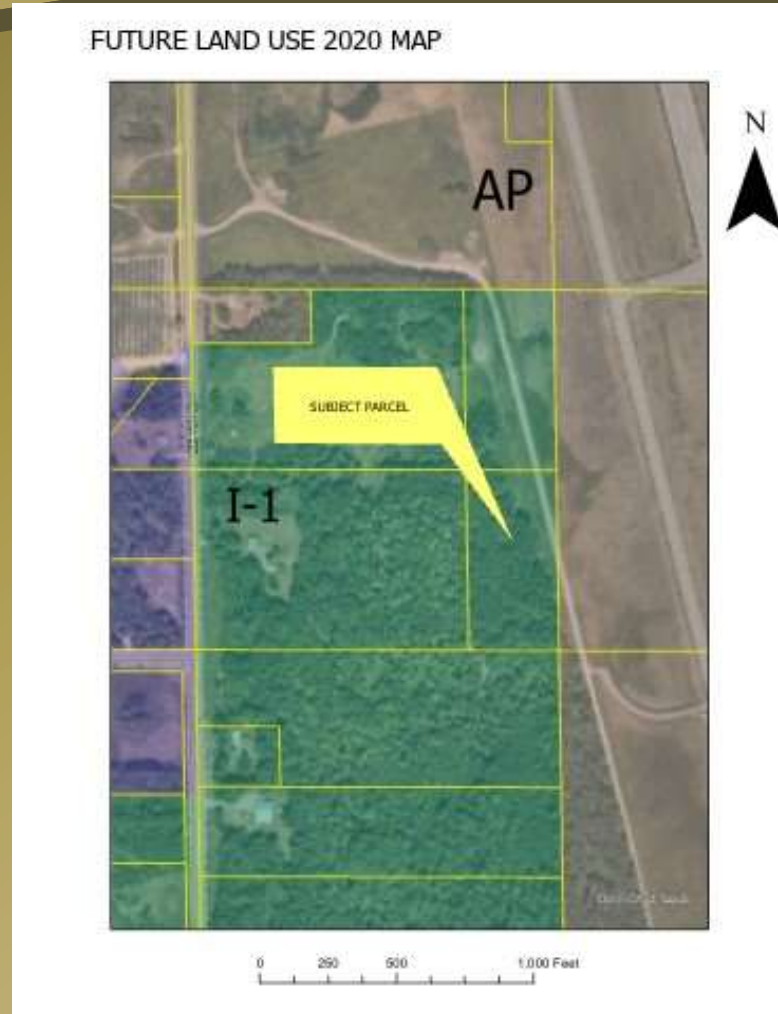
CITY OF
GRAND RAPIDS
IT'S IN MINNESOTA'S NATURE

Zoning Map Amendment

Comprehensive Plan Future Land Use Map

The Future Land Use map contained within the 2020 Comprehensive Plan shows the subject property located within an area indicated as future Industrial which was a “future land use”.

The Future Land Use Map identifies the desired future primary uses and is intended to inform and guide future zoning designations.





CITY OF
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Zoning Map Amendment

Comprehensive Plan:

Chapter 4 – Land Use
Chapter 6 – Economic Development

Goal 1: Create jobs and income. The City's economic infrastructure sustains the City's households and the households of many people in surrounding communities. Building the City's economic base is not an end in itself, but rather is a primary component for achieving many of the community's goals. Creating economic opportunity for current and future residents is a primary Comprehensive Plan goal.

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
Development and Land Use Regulation: Zoning	Continue to evaluate rezoning proposals for compatibility with surrounding existing and planned uses and connections to infrastructure systems.	Pursue zoning amendments for use and development standards as warranted. Examples include updates to building height requirements.	Continue to utilize evaluation criteria through the rezoning process. Update the criteria as needed.	Primary: Community Development, Engineering Secondary: Planning Commission
Industrial Development	Continue to utilize the future land use plan and industrial zoning to create shovel ready industrial sites within the community. Utilize the future land use plan to identify industrial development sites that have access to necessary infrastructure and limit impacts to surrounding non-residential land uses.	Continue to review and modify the allowed uses throughout industrial zoning districts.	Same as Short Term Action	Primary: Community Development Secondary: Planning Commission



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

Zoning Map Amendment

Planning Commission Considerations/Findings of Fact:

The Planning Commission reviewed the proposed zoning map amendment at their April 18, 2024, meeting.

Based upon their review of these considerations and their findings of fact, the Planning Commission approved a motion recommending approval of the petitioned zoning map amendment.

The Planning Commissions Findings of Fact are incorporated into the draft Ordinance to be considered following this public hearing.

PLANNING COMMISSION
Considerations
ZONING MAP AMENDMENT

1. Will the change affect the character of neighborhoods?
Why/Why not?

2. Would the change foster economic growth in the community?
Why/Why not?

3. Would the proposed change be in keeping with the spirit and intent of the ordinance?
Why/Why not?

4. Would the change be in the best interest of the general public?
Why/Why not?

5. Would the change be consistent with the Comprehensive Plan?
Why/Why not?



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

Item 27.

Questions?



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 22, 2024

AGENDA ITEM: Consider the recommendation of the Planning Commission regarding adoption of an ordinance, amending the Official Zoning Map, by rezoning land from AP (Airport District) to I-1 (Industrial Park) for a portion of parcel 91-033-1406 (4.3 acres)

PREPARED BY: Dan Swenson, Assistant Director of Community Development

BACKGROUND:

After the public hearing on this matter, the City Council will want to consider the public testimony received and review the recommendation put forward by the Planning Commission.

The Council can accept the recommendation of the Planning Commission, if they are in agreement with it, and adopt the ordinance as prepared, or the Council can make its own findings to support its reasons for approving or denying the Zoning Map Amendment.

REQUESTED COUNCIL ACTION:

Make a motion regarding adoption of an ordinance, amending the Official Zoning Map, by rezoning land from AP (Airport District) to I-1 (Industrial Park) for a portion of parcel 91-033-1406 (4.3 acres) and authorize its publication in summary form.

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

ORDINANCE NO. 24-_____

AN ORDINANCE OF THE CITY OF GRAND RAPIDS, MINNESOTA, APPROVING THE REZONING OF LAND FROM (AIRPORT DISTRICT) TO I-1 (INDUSTRIAL PARK)

WHEREAS, on April 18, 2024 the Planning Commission approved a motion forwarding a favorable recommendation to the City Council regarding the rezoning of property legally described as;

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.

from its current zoning designation of AP (Airport District) to I-1 (Industrial Park), and

WHEREAS, the City Council conducted a public hearing on that request at their regular meeting on April 22, 2024 and all were heard, and

WHEREAS, the City Council did concur with the recommendations of the Planning Commission, and determined that the Zoning Map Amendment would be in the best interest of the community.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA:

That the property legally described above and as shown on the attached "Exhibit A", is rezoned from its current designation of AP (Airport District) to I-1 (Industrial Park) based on the following findings of fact;

- The proposed rezoning would not have an adverse effect on the character of neighboring area as it will allow for a use adjacent to the surrounding area.
- The change would foster economic growth by allowing for the much-needed development of new industrial property.
- The change would be in keeping with the spirit and intent of the Zoning Ordinance by fostering development that is orderly and consistent with the needs of the community and standards that fit the surrounding area.
- The change would be in the best interest of the public by supporting the development of Industrial Property, which is needed for economic development and job growth.
- That the change would be consistent with the Comprehensive Plan, as this zoning change supports the intended future development of the site to Industrial Park.

This Ordinance shall become effective after its passage and publication.

Adopted by the City Council this 22nd day of April 2024.

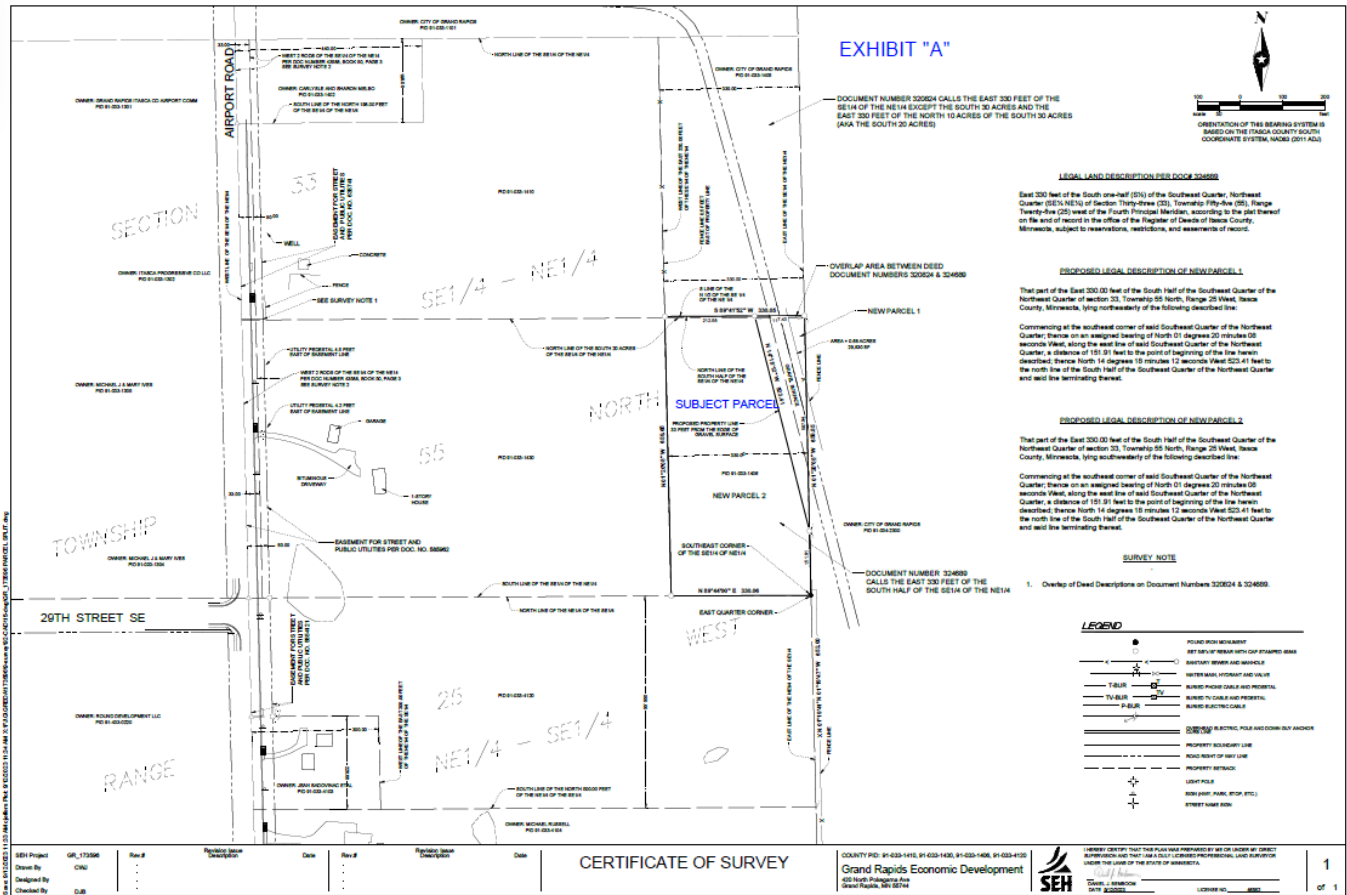
Tasha Connelly, Mayor

ATTEST:

Kim Gibeau, City Clerk

Council member _____ seconded the foregoing Ordinance and the following voted in favor thereof _____; and the following voted against same _____; whereby the Ordinance was declared duly passed and adopted.

Exhibit "A"



DRY