



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

CITY COUNCIL MEETING AGENDA
Monday, February 10, 2025
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, February 10, 2025 at 5:00 PM in City Hall Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL:

PROCLAMATIONS/PRESENTATIONS:

PUBLIC FORUM:

COUNCIL REPORTS:

POSITIVE HAPPENINGS IN THE CITY:

APPROVAL OF MINUTES:

1. Approve Council Minutes for Monday, January 27, 2025 Worksession and Regular meetings.

VERIFIED CLAIMS:

2. Approve the verified claims for the period January 22, 2025 to February 3, 2025 in the total amount of \$1,382,542.45.

CONSENT AGENDA:

3. Consider accepting the resignation from Anthony Clifton from his position as Custodian with the Grand Rapids Fire Department; and authorize Human Resources to begin the process of filling the internal Custodian vacancy.
4. Consider awarding the 2025 miscellaneous concrete quote to TNT Construction Group.
5. Consider awarding the 2025 stump grinding quote to 218 Tree Service
6. Consider adopting a resolution approving 2024 budget amendments for the Rental Inspector/Fire Fighter salary adjustments.
7. Consider approving sale of retired squad car to City of Coleraine.
8. Consider Approving Wells Fargo Bank Pledge Agreement & Authorization List and Fedwire Securities Joint Custody Service FedMail Request Form.

- [9.](#) Consider entering into agreement with Paul Bunyan Communications
- [10.](#) Consider Approving Closure of Golf Course Sweep Account at Grand Rapids State Bank.
- [11.](#) Consider approving the purchase of a Gravely Mower from L&M Supply
- [12.](#) Consider purchasing a columbarium from Eickhof Columbaria
- [13.](#) Consider approving the first amendment to a land lease at the GPZ Airport with L3Harris Technologies
- [14.](#) Consider awarding a contract to TNT Construction Group for the 2025 storm pond maintenance project
- [15.](#) Consider approving a Lease Agreement with the Northeast Higher Education District for use of the City's athletic fields.
- [16.](#) Consider amending official list of designated Community Festivals for the City of Grand Rapids
- [17.](#) Consider accepting a proposal for engineering services related to the Highway 169 South Lighting Project, Phase 3
- [18.](#) Consider approval of Pierringer Release with Jonathan Edward Treece.

SET REGULAR AGENDA:

COMMUNITY DEVELOPMENT:

- [19.](#) Consider adopting a resolution approving a Development Assistance Agreement with KTJ 435, LLC and providing the form, terms, covenants and directions for the issuance of a TIF revenue note in connection therewith.
- [20.](#) Consider a professional services agreement with Voyageur Cannabis for the preparation of a municipal dispensary application

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

- [21.](#) Conduct a Public Hearing to consider the adoption of an Ordinance amending a Division 12 (Floodplain Restrictions) within Chapter 30 Land Development Regulations.

COMMUNITY DEVELOPMENT:

- [22.](#) Consider the recommendation of the Planning Commission regarding the adoption of an ordinance, amending Division 12 (Floodplain Restrictions) within Chapter 30 Land Development Regulations.

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

- [23.](#) Conduct a public hearing to consider vacating a platted utility easement (Airport South Industrial Park – Phase I)

COMMUNITY DEVELOPMENT:

- [24.](#) Consider the adoption of a resolution either approving or denying the platted utility easement (Airport South Industrial Park – Phase 1)

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

- [25.](#) Conducting a public hearing relating to the issuance of street reconstruction bonds.

FINANCE:

- [26.](#) Consider approving a resolution approving a street reconstruction plan and authorizing the issuance of general obligation street reconstruction bonds.
- [27.](#) Consider approving a resolution providing for the issuance and sale of general obligation bonds, Series 2025A in the proposed aggregate principal amount of \$5,180,000.

ADJOURNMENT:

NEXT REGULAR MEETING IS SCHEDULED FOR FEBRUARY 24, 2025 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
GRAND RAPIDS
 IT'S IN MINNESOTA'S NATURE

CITY COUNCIL WORKSESSION MINUTES

Monday, January 27, 2025

4:00 PM

Mayor Pro-Tem Blake called the meeting to order at 4:00 PM.

PRESENT: Councilor Molly MacGregor, Councilor Tom Sutherland, Councilor Rick Blake, Councilor Dan Mertes. ABSENT: Mayor Tasha Connelly

STAFF: Tom Pagel, Chad Sterle, Matt Wegwerth, Tom Beaudry, Laura Pfeifer, Chery Pierzina

1. Legislative Update - Momentum Advocacy

Momentum staff discussed plans to seek Legacy Funds for Central School. Seeking dedicated funds in the amount of \$3.8M. Senator Eichorn is leading and has indicated this is his #1 priority. The overall project need is \$7.6M and the City will begin discussions with other local shareholders.

2. Review Columbarium at Itasca Calvary Cemetery

Matt Wegwerth, Director of Public Works/City Engineer, provides overview on proposed Columbarium project for Itasca Calvary, including area proposed for placement and types of structures. Mr. Wegwerth provided information regarding cost and funding, including quotes received from two separate vendors.

3. Pokegama Golf Course Annual Report

Tom Beaudry, Director of Golf, provides annual report on Pokegama Golf Course activities, updates and plans for the future. A full report is available in Administration upon request.

- | | |
|-------------------------|------------------------------------|
| ~ 2024 Accomplishments | ~ 2025 Goals |
| ~ Revenue | ~ Marketing & Strategy Imperatives |
| ~ Junior Golf Program | ~ Survey Results |
| ~ 2024 Learning Moments | |

Upon review, no changes or additions to the Regular agenda are noted.

There being no further business, the meeting adjourned at 4:39 PM.

Respectfully submitted:

Kimberly Gibeau
 Kimberly Gibeau, City Clerk



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

CITY COUNCIL MEETING MINUTES
Monday, January 27, 2025
5:00 PM

Mayor Pro-Tem Blake called the meeting to order at 5:00 PM.

PRESENT: Councilor Molly MacGregor, Councilor Tom Sutherland, Councilor Rick Blake, Councilor Dan Mertes. **ABSENT:** Mayor Tasha Connelly

STAFF: Tom Pagel, Chad Sterle, Laura Pfeifer, Kevin Ott, Chery Pierzina

POSITIVE HAPPENINGS IN THE CITY:

Councilor Blake noted that each Friday there is a radio broadcast on KAXE called the Sports Page.

PUBLIC FORUM:

No one from the public wished to speak.

COUNCIL REPORTS:

Councilor MacGregor provided overview of ARDC meeting.

Councilor Blake reviewed recent MN Chamber of Commerce session priorities event and provided overview of recent RAMS Board meeting.

APPROVAL OF MINUTES:

1. Approve Council minutes for Monday, January 13, 2025 Regular Meeting and January 13, 2025 Closed Meeting summary.

Motion made by Councilor Sutherland, Second by Councilor MacGregor to approve Council minutes as presented. Voting Yea: Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

VERIFIED CLAIMS:

2. Approve the verified claims for the period of January 7, 2025 to January 21, 2025 in the total amount of \$3,433,461.81 of which \$2,468,926.25 are debt service payments.

Motion made by Councilor Sutherland, Second by Councilor MacGregor to approve the verified claims as presented. Voting Yea: Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

ACKNOWLEDGE MINUTES FOR BOARDS AND COMMISSIONS:

3. Acknowledged minutes for:
 - ~ November 21, 2024 PCA Board meeting
 - ~ November 27, 2024 PUC Meeting
 - ~ December 3, 2024 Arts & Culture meeting

CONSENT AGENDA:

4. Consider approving the final pay estimate for CP 2023-1, N Taxilane Reconstruction in the amount of \$19,928.03, change order 2 and balancing change order 3.
5. Consider Voiding Lost Accounts Payable Check and Issue a Replacement Check.
6. Consider 2025 Pay and Classification Change for Non-Represented Part-Time and Trainee Hospital Security Officers.
7. Consider authorizing staff to seek proposals for a City Prosecutor.
8. Consider approving revised job descriptions for positions at Public Works.
9. Consider Employee Status Change for a Hospital Security Officer from part-time to full-time.
10. Consider approving the purchase of an ASV broom from Yanmar CE
11. Consider approving a resolution calling for a public hearing relating to the issuance of street reconstruction bonds.

Adopted Resolution 24-09

12. Consider authorizing the Police Department to enter into a Joint Powers Agreement with 1,000 Lakes SWAT.
13. Consider approving an invoice from Hart Electric for electric heating mats and controls under slab on north end of Yanmar Arena.

Motion made by Councilor MacGregor, Second by Councilor Mertes to approve the Consent agenda as presented. Voting Yea: Councilor MacGregor, Councilor Sutherland, Councilor Blake

SET REGULAR AGENDA:

Motion made by Councilor MacGregor, Second by Councilor Sutherland to approve the Regular agenda as presented. Voting Yea: Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

ADMINISTRATION:

14. Consider appointment of Kiara Rantala to the position of Police Officer with the Grand Rapids Police Department.

Motion made by Councilor Sutherland, Second by Councilor Mertes to appoint Kiara Rantala to the position of Police Officer, contingent upon satisfactory completion of noted requirements. Voting Yea: Councilor MacGregor, Councilor Sutherland, Councilor Blake, Councilor Mertes

There being no further business, the meeting adjourned at 5:13 PM.

Respectfully submitted:

Kimberly Gibeau
Kimberly Gibeau, City Clerk

DATE: 02/05/2025
 TIME: 11:52:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 02/10/2025

VENDOR #	NAME	AMOUNT DUE

GENERAL FUND		
0205640	LEAGUE OF MN CITIES INS TRUST	322,101.59
	TOTAL	322,101.59
CITY WIDE		
0221650	BURGGRAF'S ACE HARDWARE	1.98
0715808	GOVCONNECTION INC	754.75
1920555	STOKES PRINTING & OFFICE	1,069.80
	TOTAL CITY WIDE	1,826.53
SPECIAL PROJECTS-NON BUDGETED		
1105530	KENNEDY & GRAVEN CHARTERED	1,629.75
	TOTAL SPECIAL PROJECTS-NON BUDGETED	1,629.75
SPECIAL PROJECTS-BUDGETED		
2500050	ITASCA COUNTY FAMILY YMCA INC	15,000.00
	TOTAL SPECIAL PROJECTS-BUDGETED	15,000.00
BUILDING SAFETY DIVISION		
0118100	VESTIS GROUP INC	73.29
0221650	BURGGRAF'S ACE HARDWARE	17.94
1901535	SANDSTROM'S INC	243.08
2116420	UPKEEP TECHNOLOGIES, INC	1,686.00
	TOTAL BUILDING SAFETY DIVISION	2,020.31
COMMUNITY DEVELOPMENT		
0718060	GRAND RAPIDS HERALD REVIEW	126.50
	TOTAL COMMUNITY DEVELOPMENT	126.50
COUNCIL/COMMISSION/BOARDS		
1315450	MOMEMENTUM ADVOCACY, LLP	2,000.00
1801500	RAMS	1,173.00
	TOTAL COUNCIL/COMMISSION/BOARDS	3,173.00

DATE: 02/05/2025
 TIME: 11:52:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 02/10/2025

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
FINANCE		
0718060	GRAND RAPIDS HERALD REVIEW	376.38
0914540	INNOVATIVE OFFICE SOLUTIONS LL	55.42
TOTAL FINANCE		431.80
FIRE		
0118100	VESTIS GROUP INC	117.62
0121721	AUTO VALUE - GRAND RAPIDS	887.94
1301015	MACQUEEN EQUIPMENT INC	535.65
TOTAL FIRE		1,541.21
INFORMATION TECHNOLOGY		
1915248	SHI INTERNATIONAL CORP	2,550.42
TOTAL INFORMATION TECHNOLOGY		2,550.42
PUBLIC WORKS		
0301685	CARQUEST AUTO PARTS	409.30
0401420	DAKOTA FLUID POWER, INC	394.56
0601346	FAIRVIEW HEALTH SERVICES	420.00
0601690	FASTENAL COMPANY	627.91
0612225	FLEETPRIDE INC	2,993.00
0914200	INDUSTRIAL LUBRICANT COMPANY	209.90
1200500	L&M SUPPLY	25.63
1303039	MCCOY CONSTRUCTION & FORESTRY	115.17
1415484	NORTHERN LIGHTS TRUCK	16.16
1421155	NUCH'S IN THE CORNER	130.00
2501525	YANMAR COMPACT EQUIPMENT NORTH	3,324.12
TOTAL PUBLIC WORKS		8,665.75
FLEET MAINTENANCE		
0301685	CARQUEST AUTO PARTS	106.56
0305513	CENTRAL MCGOWAN, INC	72.74
0601690	FASTENAL COMPANY	809.86
0914200	INDUSTRIAL LUBRICANT COMPANY	2,073.50
1415536	NORTHLAND HYDRAULICS SERVICE	4,222.46
TOTAL FLEET MAINTENANCE		7,285.12

DATE: 02/05/2025
 TIME: 11:52:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 02/10/2025

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
POLICE		
0221650	BURGGRAF'S ACE HARDWARE	138.95
0301685	CARQUEST AUTO PARTS	17.60
0809105	HIBBING CHRYSLER CENTER	2,797.60
0920069	ITASCA GUN CLUB	500.00
1105445	DR MICHAEL KELLER, PHD	650.00
1908025	PAUL T SHAFFER	5,250.00
1920233	STREICHER'S INC	602.92
1920555	STOKES PRINTING & OFFICE	641.88
	TOTAL POLICE	10,598.95
RECREATION		
1309332	MN STATE RETIREMENT SYSTEM	1,901.89
1901535	SANDSTROM'S INC	924.35
	TOTAL RECREATION	2,826.24
CENTRAL SCHOOL		
0118100	VESTIS GROUP INC	67.93
0218745	ASHLEY BRUBAKER	206.37
1309050	MIDWEST SECURITY & FIRE.COM	285.99
1901535	SANDSTROM'S INC	145.50
	TOTAL	705.79
AIRPORT		
0205640	LEAGUE OF MN CITIES INS TRUST	3,181.46
0914200	INDUSTRIAL LUBRICANT COMPANY	124.50
1209735	LITTLE FALLS MACHINE INC	2,517.62
1303039	MCCOY CONSTRUCTION & FORESTRY	90.54
1309159	MINNESOTA COUNCIL OF AIRPORTS	150.00
1415535	NORTHLAND MACHINES	34.11
1920240	CHAD B STERLE	470.00
	TOTAL	6,568.23

DATE: 02/05/2025
 TIME: 11:52:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 02/10/2025

VENDOR #	NAME	AMOUNT DUE

CIVIC CENTER		
GENERAL ADMINISTRATION		
0118100	VESTIS GROUP INC	55.26
0221650	BURGGRAF'S ACE HARDWARE	54.95
0805640	HERC-U-LIFT INC	685.36
1415595	NORTHWOODS CLEANING COMPANY	3,686.62
1601753	PAULS LOCKS AND KEYS LLC	336.00
2209421	VIKING ELECTRIC SUPPLY INC	228.54
TOTAL GENERAL ADMINISTRATION		5,046.73
CEMETERY		
0205640	LEAGUE OF MN CITIES INS TRUST	9,292.22
1200500	L&M SUPPLY	21.99
TOTAL		9,314.21
DOMESTIC ANIMAL CONTROL FAC		
0118100	VESTIS GROUP INC	30.00
0205640	LEAGUE OF MN CITIES INS TRUST	1,011.55
TOTAL		1,041.55
GENERAL CAPITAL IMPRV PROJECTS		
T001171	FIRST AMERICAN TITLE	89,199.33
TOTAL		89,199.33
ERP-JOINT/EQUIP CERTFICATE		
1518125	ORACLE AMERICA INC	53,601.60
TOTAL ERP-JOINT/EQUIP CERTFICATE		53,601.60
2021 INFRASTRUCTURE BONDS		
CP2020/FD-1 NEW FIRE HALL		
1801610	RAPIDS PLUMBING & HEATING INC	3,119.50
TOTAL CP2020/FD-1 NEW FIRE HALL		3,119.50

DATE: 02/05/2025
 TIME: 11:52:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 5

INVOICES DUE ON/BEFORE 02/10/2025

VENDOR #	NAME	AMOUNT DUE

2024	INFRASTRUCTURE BONDS	
	CP2010-1 3RD AVE NE RECON	
0718060	GRAND RAPIDS HERALD REVIEW	77.00
2000522	TNT CONSTRUCTION GROUP, LLC	115,647.32
	TOTAL CP2010-1 3RD AVE NE RECON	115,724.32

STORM WATER UTILITY

0205640	LEAGUE OF MN CITIES INS TRUST	579.18
	TOTAL	579.18
	TOTAL UNPDAID TO BE APPROVED IN THE SUM OF:	\$664,677.61

CHECKS ISSUED-PRIOR APPROVAL
 PRIOR APPROVAL

0113105	AMAZON CAPITAL SERVICES	148.30
0205640	LEAGUE OF MN CITIES INS TRUST	308,929.00
0212126	RICK BLAKE	560.43
0218755	CHARLES BRUEMMER	130.51
0305530	CENTURYLINK QC	53.17
0315454	TRAVIS COLE	92.00
0315515	COMPUTERSHARE TRUST CO, NA	525.00
0605191	FIDELITY SECURITY LIFE	93.50
0701505	JEREMY GAMBILL	47.00
0717988	SHAWN GRAEBER	92.00
0718015	GRAND RAPIDS CITY PAYROLL	331,868.41
0718070	GRAND RAPIDS STATE BANK	4,131.15
0815440	HOLIDAY STATIONSTORES LLC	181.50
0900060	ICTV	20,166.93
1118085	CODY KRASKEY	300.00
1121695	LANCE KUSCHEL	92.00
1301014	MACQUEEN EMERGENCY GROUP	2,130.00
1305725	METROPOLITAN LIFE INSURANCE CO	2,441.09
1309162	MN BCA/TRAINING & EDUCATION	1,200.00
1309199	MINNESOTA ENERGY RESOURCES	6,770.54
1309274	MN MUNICIPAL UTILITIES ASSOC	41.50
1309275	LEAGUE OF MINNESOTA CITIES	125.00
1309335	MINNESOTA REVENUE	611.00
1309338	MN STATE TREAS/BLDG INSPECTOR	8,357.69

DATE: 02/05/2025
 TIME: 11:52:07
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 6

INVOICES DUE ON/BEFORE 02/10/2025

VENDOR #	NAME	AMOUNT DUE

CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1321750	MUTUAL OF OMAHA	640.91
1520720	KEVIN OTT	102.51
1601305	THOMAS J. PAGEL	2,075.20
1601750	PAUL BUNYAN COMMUNICATIONS	1,873.65
1605734	JON PETERSON	130.92
1920700	STORM COMBATIVES TRAINING	2,095.00
2015825	MONROE TOWMASTER LLC	8,105.00
2018555	CHAD TROUMBLY	47.00
2114360	UNITED PARCEL SERVICE	93.85
2305300	MATTHEW WEGWERTH	408.00
2305825	WEX INC	4,598.83
2501525	YANMAR COMPACT EQUIPMENT NORTH	8,606.25
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$717,864.84
TOTAL ALL DEPARTMENTS		\$1,382,542.45



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider accepting the resignation from Anthony Clifton from his position as Custodian with the Grand Rapids Fire Department; and authorize Human Resources to begin the process of filling the internal Custodian vacancy.

PREPARED BY: Chery Pierzina, Human Resources Officer

BACKGROUND:

Anthony Clifton has submitted his letter of resignation from the Custodian position with the Grand Rapids Fire Department, effective February 1, 2025. We are requesting acceptance of his resignation effective February 1, 2025. Anthony will continue working as a Paid On-Call Firefighter.

Human Resources is also requesting authorization to begin the process of filling the internal vacancy by posting and interviewing candidates.

REQUESTED COUNCIL ACTION:

Make a motion to accept the resignation from Anthony Clifton from his position as Custodian with the Grand Rapids Fire Department effective February 1, 2025, and authorize Human Resources to begin the process of filling the internal vacancy by posting and interviewing for the position.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10th, 2025

AGENDA ITEM: Consider awarding the 2025 miscellaneous concrete quote to TNT Construction Group.

PREPARED BY: Matt Wegwerth

BACKGROUND:

At the January 13th regular council meeting, Council approved staff to obtain quotes for miscellaneous concrete work. Quotes were requested and 3 were returned by the due date of January 24th, 2025. Below is a summary of the quotes received.

2025 Concrete Quote Summary		Bid Unit Price		
Item	Unit	TNT Construction	Hawk Construction	A-1 Concrete
4" Thick sidewalk	sf	\$8.50	\$9.40	\$12.00
6" Thick pedestrian ramp	sf	\$15.00	\$16.00	\$23.00
Truncated Domes	sf	\$72.00	\$62.00	\$100.00
6" Thick residential apron	sf	\$9.75	\$11.20	\$23.00
8" Thick commercial apron	sf	\$12.50	\$13.40	\$25.00
Hand Placed Full Height curb	lf	\$38.75	\$37.80	\$65.00
Hand Placed Rollover curb	lf	\$38.75	\$38.40	\$60.00
4" red colored concrete	sf	\$18.60	\$20.20	\$28.00

Quotes were compared based on the pricing and the projected quantities. Based on these comparisons, it is recommended to award the quote to TNT Construction.

REQUESTED COUNCIL ACTION:

Make a motion awarding the 2025 miscellaneous concrete quote to TNT Construction Group.

**CITY OF GRAND RAPIDS
MISCELLANEOUS CONCRETE QUOTE
JANUARY 13, 2025**

The City of Grand Rapids respectfully requests quotes for Miscellaneous Concrete Work at various City locations.

Quotes must be signed and dated by the **Company Owner** and must be received by **11am, Friday, January 24th, 2025.**

Please return by mail or hand deliver to:

City of Grand Rapids
Attention: Matt Wegwerth
“2025 Miscellaneous Concrete Quote”
420 N Pokegama Ave
Grand Rapids, MN 55744
mwegwerth@grandrapidsmn.gov

Quote award will start May 1, 2025 and continue until December 1, 2025. Upon mutual agreement of all pricing, the quote may be renewed each year, thirty (30) days prior to the renewal anniversary date of April 30.

The City of Grand Rapids reserves the right to refuse any quote, for any reason and to void the agreement with a thirty (30) day notice to vendor. Agreement does not require the city to solely use vendor for all concrete work. Work selection will be at the city’s discretion.

A current **Certificate of Liability Insurance** with a \$1,000,000.00 per Occurrence and \$2,000,000.00 Annual Aggregate must remain on file with the City of Grand Rapids Administration Department for each year of the awarded quote.

Company Name: TNT Construction Group LLC

Contact Name: Mitch Witkofsky **Phone:** 218-244-1923

Company Contact E-Mail Address: mitch@tnt-cg.com

Address: 40 County Road 63

Grand Rapids, MN 55744

Company Owner: Janet Hammerlund
(Please Print Name)

Company Owner's Signature: Janet Hammerlund, President

Dated: 01/23/2025

Please quote the following:

4" Thick sidewalk, per square foot.....	\$ <u>8.50</u>
6" Thick pedestrian ramp sidewalk, per square foot.....	\$ <u>15.00</u>
Truncated Domes (cast iron, painted dark gray), per square foot.....	\$ <u>72.00</u>
6" Thick residential apron, per square foot.....	\$ <u>9.75</u>
8" Thick commercial apron, per square foot.....	\$ <u>12.50</u>
Hand Placed Full height curb (type B), per lineal foot.....	\$ <u>38.75</u>
Hand Placed Roll over curb (type D or S), per lineal foot.....	\$ <u>38.75</u>
4" Red colored concrete, per square foot..... (minimum quantity of 150' length x 16" wide)	\$ <u>18.60</u>

Project Requirements:

Contractor will be required to complete work within 2 weeks of notice to proceed.

Contractor shall provide 48 hrs notice prior to beginning work.

All work must meet ADA requirements, unless preapproved prior to placement.

When curb and sidewalk are being replaced in the same area, they must be completed in separate pours.

Work items performed by City of Grand Rapids:

- Removals, subgrade preparation, rough grading aggregate base, backfilling, turf establishment and bituminous patching if necessary.

Work items performed by Contractor:

- Fine grading aggregate base, concrete placement and finishing, saw cutting joints, traffic control and site cleanup.

**CITY OF GRAND RAPIDS
MISCELLANEOUS CONCRETE QUOTE
JANUARY 13, 2025**

The City of Grand Rapids respectfully requests quotes for Miscellaneous Concrete Work at various City locations.

Quotes must be signed and dated by the Company Owner and must be received by 11am, Friday, January 24th, 2025.

Please return by mail or hand deliver to:

City of Grand Rapids
Attention: Matt Wegwerth
"2025 Miscellaneous Concrete Quote"
420 N Pokegama Ave
Grand Rapids, MN 55744
mwegwerth@grandrapidsmn.gov

Quote award will start May 1, 2025 and continue until December 1, 2025. Upon mutual agreement of all pricing, the quote may be renewed each year, thirty (30) days prior to the renewal anniversary date of April 30.

The City of Grand Rapids reserves the right to refuse any quote, for any reason and to void the agreement with a thirty (30) day notice to vendor. Agreement does not require the city to solely use vendor for all concrete work. Work selection will be at the city's discretion.

A current **Certificate of Liability Insurance** with a \$1,000,000.00 per Occurrence and \$2,000,000.00 Annual Aggregate must remain on file with the City of Grand Rapids Administration Department for each year of the awarded quote.

Company Name: HAWK Construction, Inc.


Contact Name: Zac Preble **Phone:** 218-327-0069

Company Contact E-Mail Address: zac@hawkconstructioninc.com

Address: 1833 West Highway 2

Grand Rapids, MN 55744

Company Owner: Zachary K. Preble
(Please Print Name)

Company Owner's Signature: 

Dated: 1/24/25

Please quote the following:

4" Thick sidewalk, per square foot.....	\$ <u>9.40</u>
6" Thick pedestrian ramp sidewalk, per square foot.....	\$ <u>16.00</u>
Truncated Domes (cast iron, painted dark gray), per square foot.....	\$ <u>62.00</u>
6" Thick residential apron, per square foot.....	\$ <u>11.20</u>
8" Thick commercial apron, per square foot.....	\$ <u>13.40</u>
Hand Placed Full height curb (type B), per lineal foot.....	\$ <u>37.80</u>
Hand Placed Roll over curb (type D or S), per lineal foot.....	\$ <u>38.40</u>
4" Red colored concrete, per square foot..... (minimum quantity of 150' length x 16" wide)	\$ <u>20.20</u>

Project Requirements:

Contractor will be required to complete work within 2 weeks of notice to proceed.

Contractor shall provide 48 hrs notice prior to beginning work.

All work must meet ADA requirements, unless preapproved prior to placement.

When curb and sidewalk are being replaced in the same area, they must be completed in separate pours.

Work items performed by City of Grand Rapids:

- Removals, subgrade preparation, rough grading aggregate base, backfilling, turf establishment and bituminous patching if necessary.

Work items performed by Contractor:

- Fine grading aggregate base, concrete placement and finishing, saw cutting joints, traffic control and site cleanup.

CITY OF GRAND RAPIDS
MISCELLANEOUS CONCRETE QUOTE
JANUARY 13, 2025

The City of Grand Rapids respectfully requests quotes for Miscellaneous Concrete Work at various City locations.

Quotes must be signed and dated by the **Company Owner** and must be received by **11am, Friday, January 24th, 2025.**

Please return by mail or hand deliver to:

City of Grand Rapids
Attention: Matt Wegwerth
"2025 Miscellaneous Concrete Quote"
420 N Pokegama Ave
Grand Rapids, MN 55744
mwegwerth@grandrapidsmn.gov

Quote award will start May 1, 2025 and continue until December 1, 2025. Upon mutual agreement of all pricing, the quote may be renewed each year, thirty (30) days prior to the renewal anniversary date of April 30.

The City of Grand Rapids reserves the right to refuse any quote, for any reason and to void the agreement with a thirty (30) day notice to vendor. Agreement does not require the city to solely use vendor for all concrete work. Work selection will be at the city's discretion.

A current **Certificate of Liability Insurance** with a \$1,000,000.00 per Occurrence and \$2,000,000.00 Annual Aggregate must remain on file with the City of Grand Rapids Administration Department for each year of the awarded quote.

Company Name: A-1 Concrete & Masonry
Contact Name: Pete Stucklie Phone: 218-259-1368
Company Contact E-Mail Address: alconcreteandmasonry@msn.com
Address: 18031 Trigger Trail
Grand Rapids, mn 55744

Company Owner: Pete Stucklie
(Please Print Name)

Company Owner's Signature: 

Dated: 1-23-25

Please quote the following:

- 4" Thick sidewalk, per square foot.....\$ 12.00
- 6" Thick pedestrian ramp sidewalk, per square foot.....\$ 23.00
- Truncated Domes (cast iron, painted dark gray), per square foot..... \$ 100.00
- 6" Thick residential apron, per square foot.....\$ 23.00
- 8" Thick commercial apron, per square foot.....\$ 25.00
- Hand Placed Full height curb (type B), per lineal foot.....\$ 65.00
- Hand Placed Roll over curb (type D or S), per lineal foot.....\$ 60.00
- 4" Red colored concrete, per square foot.....\$ 28.00
(minimum quantity of 150' length x 16" wide)

Project Requirements:

Contractor will be required to complete work within 2 weeks of notice to proceed.
 Contractor shall provide 48 hrs notice prior to beginning work.
 All work must meet ADA requirements, unless preapproved prior to placement.
 When curb and sidewalk are being replaced in the same area, they must be completed in separate pours.

Work items performed by City of Grand Rapids:

- Removals, subgrade preparation, rough grading aggregate base, backfilling, turf establishment and bituminous patching if necessary.

Work items performed by Contractor:

- Fine grading aggregate base, concrete placement and finishing, saw cutting joints, traffic control and site cleanup.

2025 Concrete Quote Summary

Item	Unit	Bid Unit Price			2025 Estimated Quantities		2025 Estimated Quantities		2025 Estimated Quantities	
		TNT Construction	Hawk Construction	A-1 Concrete	TNT Prices		Hawk Construction		A-1 Prices	
4" Thick sidewalk	sf	\$8.50	\$9.40	\$12.00	1200	\$10,200.00	1200	\$11,280.00	1200	\$14,400.00
6" Thick pedestrian ramp	sf	\$15.00	\$16.00	\$23.00	200	\$3,000.00	200	\$3,200.00	200	\$4,600.00
Truncated Domes	sf	\$72.00	\$62.00	\$100.00	24	\$1,728.00	24	\$1,488.00	24	\$2,400.00
6" Thick residential apron	sf	\$9.75	\$11.20	\$23.00	200	\$1,950.00	200	\$2,240.00	200	\$4,600.00
8" Thick commercial apron	sf	\$12.50	\$13.40	\$25.00	200	\$2,500.00	200	\$2,680.00	200	\$5,000.00
Hand Placed Full Height curb	lf	\$38.75	\$37.80	\$65.00	200	\$7,750.00	200	\$7,560.00	200	\$13,000.00
Hand Placed Rollover curb	lf	\$38.75	\$38.40	\$60.00	150	\$5,812.50	150	\$5,760.00	150	\$9,000.00
4" red colored concrete	sf	\$18.60	\$20.20	\$28.00	200	\$3,720.00	200	\$4,040.00	200	\$5,600.00
						\$ 36,660.50		\$ 38,248.00		\$ 58,600.00



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10th, 2025

AGENDA ITEM: Consider awarding the 2025 stump grinding quote to 218 Tree Service

PREPARED BY: Matt Wegwerth

BACKGROUND:

At the January 13th regular council meeting, Council approved staff to obtain quotes for stump grinding. Quotes were requested and 4 were returned by the due date of January 24th, 2005. Below is a summary of the quotes received.

2025 Stump Grinding Quotes	
	Price per inch
218 Tree Service	\$ 2.50
DP Stump Grinding	\$ 3.00
D&S Stump Grinding	\$ 4.00
Boonedox Builders	\$ 5.00

Based on the quotes received, it is recommended to award the quote to the low bidder, 218 Tree Service.

REQUESTED COUNCIL ACTION:

Make a motion awarding the 2025 stump grinding quote to 218 Tree Service

CITY OF GRAND RAPIDS
2025 STUMP GRINDING QUOTE
JANUARY 13, 2025

The City of Grand Rapids respectfully requests quotes for Stump Grinding at various City locations.

Quotes must be signed and dated by the **Company Owner** and must be received by **11am, Friday, January 24th, 2025.**

Please return by mail or hand deliver to:

City of Grand Rapids
Attention: Matt Wegwerth
"2025 Stump Grinding Quote"
420 N Pokegama Ave
Grand Rapids, MN 55744
mwegwerth@grandrapidsmn.gov

Quote award will start April 1, 2025 and continue until December 1, 2025. Upon mutual agreement of all pricing, the quote may be renewed each year, thirty (30) days prior to the renewal anniversary date of March 31.

The City of Grand Rapids reserves the right to refuse any quote, for any reason and to void the agreement with a thirty (30) day notice to vendor.

A current **Certificate of Liability Insurance** with a \$1,000,000.00 per Occurrence and \$2,000,000.00 Annual Aggregate must remain on file with the City of Grand Rapids Administration Department for each year of the awarded quote.

Company Name: 218 Tree Service

Contact Name: Kevin Kubiczko Phone: 218 259 0037

Company Contact E-Mail Address: 218treeservice@gmail.com

Address: 2037 Knollwood Dr.
Grand Rapids MN 55744

Company Owner: Kevin Kubiczko, Zach Morse, Austin Jaeger

(Please Print Name)

Company Owner's Signature: *[Handwritten Signature]*

Dated: 1-16-2025

Please quote the following:

Stump grinding, per inch diameter.....\$ 2.50

Project Requirements:

Contractor will be required to complete grinding within 2 weeks of notice to proceed.

Stump shall be ground to a depth of 6" below surrounding surface.

Contractor shall complete Gopher State One utility locates for each site

Invoice needs to reference stump address and City work order number.

City will be responsible for chip cleanup and turf restoration.

**CITY OF GRAND RAPIDS
2025 STUMP GRINDING QUOTE
JANUARY 13, 2025**

The City of Grand Rapids respectfully requests quotes for Stump Grinding at various City locations.

Quotes must be signed and dated by the Company Owner and must be received by 11am, Friday, January 24th, 2025.

Please return by mail or hand deliver to:

City of Grand Rapids
Attention: Matt Wegwerth
"2025 Stump Grinding Quote"
420 N Pokegama Ave
Grand Rapids, MN 55744
mwegwerth@grandrapidsmn.gov

Quote award will start April 1, 2025 and continue until December 1, 2025. Upon mutual agreement of all pricing, the quote may be renewed each year, thirty (30) days prior to the renewal anniversary date of March 31.

The City of Grand Rapids reserves the right to refuse any quote, for any reason and to void the agreement with a thirty (30) day notice to vendor.

A current **Certificate of Liability Insurance** with a \$1,000,000.00 per Occurrence and \$2,000,000.00 Annual Aggregate must remain on file with the City of Grand Rapids Administration Department for each year of the awarded quote.

Company Name: DP Stump Grinding LLC

Contact Name: Pat Medure **Phone:** 218-244-1122

Company Contact E-Mail Address: pmedure9016@gmail.com

Address: 17785 Bayview Place
Grand Rapids, MN 55744

Company Owner: Pat Medure

(Please Print Name)

Company Owner's Signature: Pat Medina

Dated: 1/14/2025

Please quote the following:

Stump grinding, per inch diameter.....\$ 3.00 See attached

Project Requirements:

Contractor will be required to complete grinding within 2 weeks of notice to proceed.

Stump shall be ground to a depth of 6" below surrounding surface.

Contractor shall complete Gopher State One utility locates for each site

Invoice needs to reference stump address and City work order number.

City will be responsible for chip cleanup and turf restoration.

CITY OF GRAND RAPIDS
2025 STUMP GRINDING QUOTE
JANUARY 13, 2025

The City of Grand Rapids respectfully requests quotes for Stump Grinding at various City locations.

Quotes must be signed and dated by the **Company Owner** and must be received by **11am, Friday, January 24th, 2025.**

Please return by mail or hand deliver to:

City of Grand Rapids
Attention: Matt Wegwerth
"2025 Stump Grinding Quote"
420 N Pokegama Ave
Grand Rapids, MN 55744
mwegwerth@grandrapidsmn.gov

Quote award will start April 1, 2025 and continue until December 1, 2025. Upon mutual agreement of all pricing, the quote may be renewed each year, thirty (30) days prior to the renewal anniversary date of March 31.

The City of Grand Rapids reserves the right to refuse any quote, for any reason and to void the agreement with a thirty (30) day notice to vendor.

A current **Certificate of Liability Insurance** with a \$1,000,000.00 per Occurrence and \$2,000,000.00 Annual Aggregate must remain on file with the City of Grand Rapids Administration Department for each year of the awarded quote.

Company Name: D & S Stump Grinding
Contact Name: Shannon Sokoloski Phone: 218-259-4704
Company Contact E-Mail Address: sokoloski@hotmail.com
Address: 19954 Dart Rd Grand Rapids
MN 55744
Company Owner: Shannon Sokoloski

(Please Print Name)

Company Owner's Signature: Shannon J. K. [Signature]

Dated: 1-22-2025

Please quote the following:

Stump grinding, per inch diameter.....\$ 4.00

Project Requirements:

Contractor will be required to complete grinding within 2 weeks of notice to proceed.

Stump shall be ground to a depth of 6" below surrounding surface.

Contractor shall complete Gopher State One utility locates for each site

Invoice needs to reference stump address and City work order number.

City will be responsible for chip cleanup and turf restoration.

CITY OF GRAND RAPIDS
2025 STUMP GRINDING QUOTE
JANUARY 13, 2025

The City of Grand Rapids respectfully requests quotes for Stump Grinding at various City locations.

Quotes must be signed and dated by the **Company Owner** and must be received by **11am, Friday, January 24th, 2025.**

Please return by mail or hand deliver to:

City of Grand Rapids
Attention: Matt Wegwerth
"2025 Stump Grinding Quote"
420 N Pokegama Ave
Grand Rapids, MN 55744
mwegwerth@grandrapidsmn.gov

Quote award will start April 1, 2025 and continue until December 1, 2025. Upon mutual agreement of all pricing, the quote may be renewed each year, thirty (30) days prior to the renewal anniversary date of March 31.

The City of Grand Rapids reserves the right to refuse any quote, for any reason and to void the agreement with a thirty (30) day notice to vendor.

A current **Certificate of Liability Insurance** with a \$1,000,000.00 per Occurrence and \$2,000,000.00 Annual Aggregate must remain on file with the City of Grand Rapids Administration Department for each year of the awarded quote.

Company Name: Boonedox Builders LLC

Contact Name: Chris Brown Phone: 263-486-6526

Company Contact E-Mail Address: boonedoxbuilders@yahoo.com

Address: 34120 Unger Dr

Grand Rapids Mn 55744

Company Owner: Chris Brown

(Please Print Name)

Company Owner's Signature: Chris Brown

Dated: 1-22-25

Please quote the following:

Stump grinding, per inch diameter.....\$ 5.00

Contractors license # BC695265

Project Requirements:

Contractor will be required to complete grinding within 2 weeks of notice to proceed.

Stump shall be ground to a depth of 6" below surrounding surface.

Contractor shall complete Gopher State One utility locates for each site

Invoice needs to reference stump address and City work order number.

City will be responsible for chip cleanup and turf restoration.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider adopting a resolution approving 2024 budget amendments for the Rental Inspector/Fire Fighter salary adjustments.

PREPARED BY: Laura Pfeifer

BACKGROUND:

We do not generally recommend budget amendments unless there are extenuating circumstances or budget items that carry over from one year to the next.

When the City adopted the 2024 budgets, two Rental Inspectors/Fire Fighters were included in the Building Safety Department as Coordinated PERA members. As of May 26, 2024, these two positions were transferred to the Fire Department and hence to the Police & Fire PERA plan. Therefore, we are recommending a budget transfer of personnel costs from the Building Safety Department to the Fire Department for the period of May 26, 2024 to December 31, 2024.

REQUESTED COUNCIL ACTION:

Make a motion adopting a resolution approving 2024 budget amendments for the Building Safety Department and the Fire Department.

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

RESOLUTION NO. 25-

A RESOLUTION APPROVING 2024 BUDGET AMENDMENTS FOR BUILDING SAFETY AND FIRE DEPARTMENTS SALARY ADJUSTMENTS

WHEREAS, at the time the 2024 budget was adopted, the two Rental Inspectors/Fire Fighters were budgeted under the Building Safety Department, and

WHEREAS, effective May 26, 2024 the two positions were transferred to the Fire Department since the positions are now covered under the Police and Fire PERA versus Coordinated PERA, and

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, approves the following Building Safety and Fire Department budget amendments to the 2024 personnel budgets:

Department/Entity	Original Budget	Amended Budget
GENERAL FUND		
Building Safety-Personnel	\$379,072.00	\$272,415.00
Fire Department-Personnel	\$559,457.00	\$666,114.00

Adopted this 10th day of February, 2025.

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: February 10, 2025

AGENDA ITEM: Consider approving sale of retired squad car to City of Coleraine.

PREPARED BY: Captain Jeremy Nelson

BACKGROUND:

At the January 13, 2025, Council meeting it was approved to sell (5) retired squad vehicles at auction. After that meeting, we were approached by the Coleraine Police Department inquiring if we had a used squad in good condition that they could purchase to use as a patrol vehicle.

Due to several of the vehicles having already been delivered to auction, we had one vehicle to offer -

Unit 2001 – 2020 Ford Interceptor SUV – VIN # 1FM5K8AB8LGC15146

After obtaining estimate for potential sale at auction and including some of the equipment that is not reusable in new GRPD squad cars, a price of \$10,000 was agreed upon with the Coleraine Police Department.

REQUESTED COUNCIL ACTION:

Make a motion to approve sale of retired squad car to the City of Coleraine.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider Approving Wells Fargo Bank Pledge Agreement & Authorization List and Fedwire Securities Joint Custody Service FedMail Request Form.

PREPARED BY: Laura Pfeifer

BACKGROUND:

A review of signatures for Wells Fargo Bank: Federal Reserve Pledge Agreement & Authorization List revealed it had not been updated for some time. An updated agreement will enable two staff members to receive collateral reports as issued by Federal Reserve Bank of Boston for our payroll account held at Wells Fargo Bank. The City Administrator will be the designated officer who authorizes those two employees to release pledged securities as needed.

REQUESTED COUNCIL ACTION:

Make a motion to approve Pledge Agreement & Authorization List and Fedwire Securities Joint Custody Service FedMail Request Form.

Instructions for Completing a Pledgee Agreement & Authorization List

Please retain a blank copy of the Pledgee Agreement for future use and a copy of the completed form for your records.

Please **type or print in ink** the following information in the appropriate sections of the form

- **Please list the name of your entity**, as it appears on your statements, on the blank line in the first sentence. (e.g. We, the “Town of Plainville”)
- **Pledgee number** is the four-character identifier that begins with an alpha character, is assigned by the Federal Reserve Bank, and can be found on your statement as the Institution ID. If this is a request to open a new account, please write “NEW”.
- **To allow substitution of collateral**, check the box **YES** to permit financial institutions that pledge collateral to you to replace or substitute collateral at the same or greater current value (par for par) without your having to approve each transaction:
 - Replacement collateral must be deposited the same day that the request to release the collateral is made. At no time are you at risk of being under-collateralized. No collateral will be released without a qualifying substitution or your approval.
 - FRB staff will calculate the current book value of the replacement collateral and ensure that it is of equal or greater value to the collateral it is replacing.
 - A Pledgee Activity statement will be sent to you as notification that a substitution has been completed.
- Select **NO** to approve each and every individual transaction.
- **Call-back procedure** refers to the number of Authorized Individuals who must approve a release of collateral. By checking the box for three-party call-back, you are indicating that one individual from your organization can initiate a collateral transaction and that same person can also verify the transaction. By checking the box for four-party call-back, you are indicating that two individuals from your organization are required for every approval: one individual can initiate the transaction but a second must verify it. (In both cases, the other two parties are Federal Reserve individuals.)
- **Name, title, signature, fax and telephone numbers** of each individual authorized to release securities pledged to this public entity and held in a joint custody account at the Federal Reserve Bank. This list will be used to verify the authenticity of instructions to release pledged securities. Please provide at least three names and as many additional people as you need to accommodate vacations, illness, turnover, etc. Please list them in the order you prefer they be contacted.

Instructions for Completing a Pledgee Agreement (page 2 of 2)

- **Signature, name, and title of the officer who is authorized** to designate the listed individuals. We recommend that the officer not be included on this list as one of the persons authorized to release securities. By signing this form, the officer authorizes the individuals listed to release pledged securities. This signature must be notarized.
- **Notary Information with seal** must be obtained to validate the authenticity of the signature of the approving officer.
- **Please Return the completed Pledgee Agreement to:**

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, MA 02210
Attn: Wholesale Operations/Joint Custody

Or fax toll-free to: 866-686-5441

If you have questions or require assistance, please call a customer support representative: 833-377-7827, option 3, then 2.

You can view Operating Circular 7 at the following web address:
www.frbervices.org/OperatingCirculars/pdf/Oc7.pdf

Pledgee Agreement Form

Item 8.

To: **Federal Reserve Bank of Boston**
600 Atlantic Avenue
Boston, MA 02210
Attn: **Wholesale Operations/Joint Custody**

Tel: **833-377-7827 Option #3, then 2**
Fax: 866-686-5441

Date: 2/10/25

We, the City of Grand Rapids agree to the terms of **Appendix C** of your *Operating Circular 7*, dated August 19, 2005, as it may be amended from time to time with respect to the account on your books designated I639. (4 digit alpha-numeric account number)

We further agree that you may accept par for par substitutions: securities from the Pledgor as a replacement of, or in substitution for, those securities presently held (please check one):

NO (Instructions required for each withdrawal)

YES (Standing approval)

Provided that the replacement or substitution does not reduce the aggregate par amount of securities held in custody for us. (See *Operating Circular 7, Appendix C, Section 4.3.*)

We authorize you to use the following call-back procedure for securities transactions pertaining to this account (please check one):

Three-party call-back

Four-party call-back

We certify that the individuals listed below may take authoritative action on our behalf with respect to the account, including a direction to release collateral from the account. You may rely on the authority of these individuals with respect to the account until we otherwise notify you.

Telephone: 218-326-7619

Print Name: Laura Pfeifer Title: Int. Finance Dir.

Fax: 218-326-7608

Signature: _____ Date: _____

Telephone: 218-326-7616

Print Name: Renee Patrow Title: Accountant

Fax: 218-326-7608

Signature: _____ Date: _____

Telephone: _____

Print Name: _____ Title: _____

Fax: _____

Signature: _____ Date: _____

Pledgee Agreement

(page 2 of 2)

Item 8.

Telephone: _____

Print Name: _____ Title: _____

Fax: _____

Signature: _____ Date: _____

The Undersigned hereby certifies that he/she is the present lawful incumbent of the designated public office.

Pledgee

City of Grand Rapids

Name of governmental unit

420 N. Pokegama Avenue

Street Address or P.O Box Number

Grand Rapids, MN 55744

City, State, Zip Code

Official Signature/ **Date**

Thomas Pagel, City Administrator

Printed Name and Title

Notary

State of _____

County of _____

On this ____ day of _____, 20_ ""before me personally appeared _____, to me personally known or satisfactorily proven, who by me duly sworn, did depose and say that he/she resides at _____, in the City of _____, in the State of _____, that he/she is the _____ [Title] of _____ and that he/she executed this document on behalf of _____ before me.

(Signature of Notary)

(Print name of Notary)

My commission expires on _____ [Date]

FEDERAL RESERVE  FINANCIAL SERVICES

Fedwire[®] Securities Joint Custody Service FedMail[®] Request Form

Required Fields*

Section 1: Service Description and Form Instructions

Joint Custody Service (JCCR) provides pledgees with the ability to receive Detailed Activity Statements and Book-Entry Securities Holdings Statements for their Joint Custody accounts by email. The email is sent in text format; the statements and reports are sent as attachments, which may be viewed with a text editor, spreadsheet, or word processing software. Pledgees will receive Detailed Activity Statements for each business day on which activity occurred in their Joint Custody accounts.

- Use “Section 3: Service Specific Information” to add delivery addresses.
- Shared email addresses are preferred. Please provide more than one email address if using individual email addresses.
- The email addresses in Section 3 will remain in effect until an updated form is received and processed.
- The form must be signed by an authorized individual listed on your current pledgee agreement on file with the Federal Reserve Bank.
- If updates are required to your current Joint Custody pledgee agreement, please call (800) 327-0147.
- Book-Entry Securities Holding Statements are delivered monthly. If you wish to receive daily statements, please submit a request in writing, signed by an authorized individual on the pledgee agreement, to:

Federal Reserve Bank of Boston
600 Atlantic Avenue
Boston, MA 02210
Attn: Wholesale Operations/Joint Custody
Or fax toll-free to: (877) 973-8972

For assistance completing this form, please contact Wholesale Operations Site at 833-377-7827, option, 3 then 2.

Send the completed and signed form to the Customer Contact Center at:

Email: ccc coordinators@kc.frb.org

or

Fax: (800) 660-7856

(Upon receipt by the Federal Reserve Banks)

Section 2: Customer Information

State or Local Government Institution Name*	City of Grand Rapids
Joint Custody Account Number(s)*	<i>Provide the 4-digit alpha-numeric account number(s) below that are listed as "institution ID" on your statement. This form may be used for multiple account numbers being delivered to the same addresses, with a maximum of four account numbers.</i>
Account #1	I639
Account #2	
Account #3	
Account #4	

Section 3: Service Specific Information

The email address(es) below will remain in effect until an updated Joint Custody Service FedMail® Request Form is submitted. Detailed Activity Statements will be delivered for business days on which activity occurs in your organization’s Joint Custody securities accounts.

Email Address(es) <i>This list replaces the prior email address(es) on file for your organization.</i>
financedepartment@grandrapidsmn.gov

Section 4: Authorized Approval

Use of the FedMail Solution is governed by Federal Reserve Bank Operating Circular 5, Electronic Access (“OC 5”). Depending on the services you choose to access using FedMail, additional [Operating Circulars](#) may govern. Submission of this form constitutes acceptance of the terms and conditions of OC 5 and other applicable Operating Circulars and agreements. The Federal Reserve Banks have no obligation to verify the accuracy of the information you provide in this form and have the right to rely on such information in connection with the provision of FedMail access to the services you are requesting. Except to the extent prohibited by law or regulation, you agree to indemnify, hold harmless and defend the Federal Reserve Banks against any claim, loss, liability, or expense made against or incurred by the Federal Reserve Banks in connection with their reliance on the information provided in this form.

The person signing this form must be listed on your current pledgee agreement on file with the Federal Reserve Bank as authorized to act for your account.

Authorized Signature*			
Authorized Signer Name*	<small>First</small> Thomas	<small>MI</small>	<small>Last</small> Pagel
Authorized Signer Email Address*	tpagel@grandrapidsmn.gov		
Authorized Signer Phone Number*	<small>Country Code</small> 218	<small>Phone</small> 326-7626	<small>Extension</small>
Date*			

The Financial Services logo, “FedMail,” and “Fedwire” are registered service marks of the Federal Reserve Banks. A complete list of marks owned by the Federal Reserve Banks is available at FRBservices.org.

Last updated: 11/10/2017
Version 2.0



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 02/10/2025

AGENDA ITEM: Consider entering into agreement with Paul Bunyan Communications

PREPARED BY: Erik Scott

BACKGROUND:

The airport maintenance facility needs a stable internet connection. We have approached Paul Bunyan and verified that all infrastructure is already in place for them to provide this connection.

REQUESTED COUNCIL ACTION:

Make a motion to enter into a agreement with Paul Bunyan for internet services at the airport maintenance building and authorize the Mayor to sign the necessary documents.

BUSINESS APPLICATION

Toll-free: (888) 586-3100
Local: (218) 444-1234 / (218) 999-1234

Cust# 51158 Agreement #: 700-999-3064 Contact #: 218-244-4139 Install Date: _____ Time: _____

Name: CITY OF GRAND RAPIDS Contact Type: Business Current Date: 01/30/25

Billing Address: 420 N POKEGAMA AVENUE 911 Address: 1500 SE 7TH AVE UNIT C

City: GRAND RAPIDS State: MN Zip: 55744 City: GRAND RAPIDS State: MN Zip: 55744

BROADBAND **SMALL BUSINESS**

<input checked="" type="checkbox"/> 250 Mb*	GZSB	Package Price	\$ 60.00 / mo.
<input type="checkbox"/> 1 Gb (1000 Mb)*	GZSB		\$ 80.00 / mo.
<input type="checkbox"/> 2 Gb (2000 Mb)*	GZSB		\$ 150.00 / mo.
<input type="checkbox"/> 6 Gb (6000 Mb)*	GZSB		\$ 300.00 / mo.

CURRENT METRO CUSTOMER

Static IP Assignment

None Single +\$10/mo

e-mail Username: N/A
(5-15 lowercase letters or numbers - MUST begin with a letter) @paulbunyan.net

Password: N/A
(> 5 characters - MUST be different than username)

VOICE Agreement #: _____

PHONE \$ 20.00 / line

GZ Long Distance

VOICE MAIL: -SELECT- Y / N # RINGS: _____

* Internet speeds and wireless coverage may be limited to the network devices you have installed in your home and may require hardware upgrades for the best performance.

- NOT FOR RESALE -

MANAGED WI-FI

GZ SmartBiz Service \$ 30.00 / mo.
(includes SmartBiz features and 1 AP)

Additional APs _____ x \$10.00 = _____ /mo.

Managed Wifi

Calix APs	_____	x \$10.00 =	_____ /mo.
Calix Outdoor Wi-Fi AP	_____	x \$15.00 =	_____ /mo.
Calix Bus Wi-Fi Outdoor Pro	_____	x \$25.00 =	_____ /mo.
Ubiquiti APs	_____	x \$10.00 =	_____ /mo.
Ubiquiti Gateway	_____	x \$10.00 =	_____ /mo.

Managed Wi-Fi Monthly Total _____ /mo.

Install Fees

Installation Fee for Service and 1 AP - \$100 \$ 0.00

Waived with 6 month service agreement

Additional AP's _____ x \$40.00 = \$ _____

(Does Not Include Wiring)

Email Username for SmartBiz App: _____

Password: _____

SSID Primary Network: _____

Password: _____

NOTES: INSTALL GZ 250 WITH STATIC IP *NO PBC WI-FI*
PER ERIK (218-244-4139) - TECH WILL NEED TO RUN CABLE IN BUILDING FROM ONT - MINUMAL RUN
****SERV REMARK - AIRPORT MAINTENANCE****

* All prices subject to change. There are no substitutions allowed on any package. Some restrictions apply.

- I understand that the listed package price does not include taxes and other mandated charges, which will increase my bill. My first bill may be 1.5-2 times larger than the regular monthly bill due to the billing cycle.
- I understand that when I have the service installed that I must pay for a minimum of one month's service regardless of whether I choose to discontinue the service within a month of having the service installed:
- As a consumer of Paul Bunyan Communications, you agree that the equipment installed in your home is for use at the location as indicated on the application. You agree to take reasonable care of the equipment and agree to not open the equipment, take it apart, or alter it in any way. You are responsible for all damage to the equipment, beyond reasonable wear from normal use.
- Your use of the equipment and services you receive are subject to the various policies OF Paul Bunyan Communications. Such policies and practices are subject to change. Monthly fees for use of the equipment and services are billed in advance
- If services are discontinued, all equipment must be returned to Paul Bunyan Communications in working condition. If equipment is not returned, you understand and agree that the costs of the equipment including power cords and any other equipment that is provided to you for you to receive the service, will be assessed and will be your responsibility.
- I agree that any transactions or agreements with Paul Bunyan Rural Telephone Cooperative dba Paul Bunyan Communications or its associated companies may be formed by electronic means.
- AGREEMENT TO BE BOUND: By applying for services from Paul Bunyan Communications, you acknowledge that you have read and agree to be bound by all acceptable use policies and terms and conditions of service, as they may be amended.
- I authorize Paul Bunyan Communications to investigate my credit in accordance with acceptable law. I agree that I will be responsible for all damages or loss and the equipment will be returned immediately upon termination of this service or at any time upon the request of Paul Bunyan Communications. Payment may be required based on credit check.
- I have read and fully understand the above information. I agree that Paul Bunyan Communications shall not be liable for any loss, damage or expense of any kind.

Signature: _____ Date: _____ App Taken by: CVH

SCHEDULED BY (Initials): _____



Consumer Broadband Label

Broadband Facts	
Paul Bunyan Communications	
250 Mbps Residential/Small Business Broadband Service	
Fixed Broadband Consumer Disclosure	
Monthly Price	\$60.00
Introductory Rate	No
Contract Required	No
Additional Charges & Terms	
Provider Monthly Fees	
Late fee may be assessed if bill is past due in the amount of \$5.00 or 1.5% (whichever is greater)	\$5.00
One-Time Fees at the Time of Purchase	
Installation Fee - can be waived with a qualifying contract	\$100.00
Government Taxes	\$0.00
Promotional Pricing	
If promotional pricing applies, see monthly price above.	
Speeds Provided with Plan	
Typical Download Speed	up to 250 Mbps
Typical Upload Speed	up to 250 Mbps
Latency	3 ms
Data Caps	Unlimited
Network Management	
https://paulbunyan.net/network-management-policies/	
Privacy	
https://paulbunyan.net/data-privacy-policy/	
Customer Support	
Phone:	888-586-3100
Email:	customerservice@paulbunyan.net
Website:	www.paulbunyan.net
Address:	1831 Anne St NW; Bemidji, MN 56601
Learn more about the terms used on this label by visiting the Federal Communications Commission's Consumer Resource Center. fcc.gov/consumer	
Unique Plan Identifier: F00026449532024250MBPSPBCX	



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider Approving Closure of Golf Course Sweep Account at Grand Rapids State Bank.

PREPARED BY: Laura Pfeifer

BACKGROUND:

In 2017, a small business checking account was set up at Grand Rapids State Bank for the golf course to use for online pass purchases by customers. Customer credit card charges were transacted through a portal and were “swept” through this account for an extra layer of security for the city. The golf course switched to a different platform in 2024 and no longer needs this account.

REQUESTED COUNCIL ACTION:

Make a motion to approving closure of Golf Course Sweep Account ending in 2758 at Grand Rapids State Bank.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10th, 2025

AGENDA ITEM: Consider approving the purchase of a Gravely Mower from L&M Supply

PREPARED BY: Matt Wegwerth

BACKGROUND:

The Itasca Calvary Cemetery would like to purchase a new zero turn mower for grounds maintenance. The Gravely ZT XL 42 is a commercial grade zero turn mower with bagger. This is an annual purchase and is a budgeted item for 2025: 233-00-00-20-2075, Assets

Two quotes were received and are shown below:

L&M Supply - \$5,650.60

Northland Lawn and Sport - \$7,575.00

REQUESTED COUNCIL ACTION:

Make a motion approving the purchase and payment of a Gravely ZT XL 42 from L&M Supply in the amount of \$5,650.60.

Quote Summary

Prepared For:
 CITY OF GRAND RAPIDS ITASCA CALVARY
 CEMETERY
 1700 E US HIGHWAY 169
 GRAND RAPIDS, MN 55744
 Business: 218-326-9075
 ICCREW@GRANDRAPIDSMN.GOV

Prepared By:
 Heather Bleth-hagen
 Northland Lawn & Sport, LLC
 20648 Us Highway 169
 Grand Rapids, MN 55744
 Phone: 218-326-1200
 hhagen@mynorthland.com

Government Discount applied

Quote Id: 32227914
Created On: 17 January 2025
Last Modified On: 28 January 2025
Expiration Date: 31 January 2025

Equipment Summary	Suggested List	Selling Price	Qty	=	Extended
JOHN DEERE Z530M ZTrak	\$ 8,543.33	\$ 7,575.00	1	=	\$ 7,575.00
Equipment Total					\$ 7,575.00

Quote Summary	
Equipment Total	\$ 7,575.00
SubTotal	\$ 7,575.00
Total	\$ 7,575.00
Balance Due	\$ 7,575.00

Salesperson : X _____

Accepted By : X _____

Selling Equipment

Item 11.

Quote Id: 32227914

Customer: CITY OF GRAND RAPIDS ITASCA CALVARY CEMETERY

JOHN DEERE Z530M ZTrak		
Hours:		Suggested List
Stock Number:		\$ 8,543.33
Code	Description	Qty
5630GX	Z530M ZTrak	1
Standard Options - Per Unit		
001A	United States and Canada	1
1514	48 in. Accel Deep Deck	1
Dealer Attachments		
BUC10851	Attachment bar - Rear bumper - Z500	1
BM21681	Power Flow chute (6.5/7 bu)	1
BG20758	HP Power Flow Blower Assembly for 48A	1
BUC11059	ZTrak Hopper - 48/54-in deck, 6.5 bushel	1
Other Charges		



"QUALITY AT A DISCOUNT"

Grand Rapids Office Use:		Item 11.
Date Ordered:	PO#	
Vendor Name:		
Ordering Employee Name:		

Special Order Forms for customer orders only. Stock orders contact Store Manager or the Buyer.

Grand Rapids

SPECIAL ORDER

Date: 01.27.25

Salesperson: Tom H

Customer Name: ANTHONY iccrew@grandrapidsmn.gov

Address: _____

Home Phone: _____ Alternate Phone: _____

Vendor Information: GRAVELY

Model/Serial No: _____

Is this a Quote Only: Y or N

Qty	Part#	SKU#	Description	Retail
1	918012	1126085	ZTXL 42"	\$5,199. ⁰⁰
1	818001	1125785	BAGGER (FOR ABOVE)	\$ 749. ⁰⁰
5% Discount will apply, per store manager, Jackson Schauer				
			Mower	\$4,939.05
			Bagger	\$711.55
			Total	\$5,650.60
Email Info:				Total
Date:				\$5,948. ⁰⁰
To:				Sales Tax
From:				exempt
				Total Due
				\$5,948. ⁰⁰
				Shipping and Handling-Freight
				Transaction#/Invoice#
				(Non Stock and over \$100, then 20% Required Non Refundable) - Amt Paid
				Automotive Accessories (hitches, toppers, tonneau covers, running boards, etc.) require 100% down
				Balance Due
				\$5,948. ⁰⁰



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10th, 2025
AGENDA ITEM: Consider purchasing a columbarium from Eickhof Columbaria
PREPARED BY: Matt Wegwerth

BACKGROUND:

At the January 13th work session, staff presented information regarding the installation of a columbarium at the Itasca Calvary Cemetery. The attached feasibility report outlines the project and the recommendations.

Staff are recommending the purchase and installation of the 84-niche rectangular unit from Eickhof Columbaria. Project will be funded by an internal loan from the City to the Cemetery, with the sale of the niches repaying the loan.

REQUESTED COUNCIL ACTION:

Make a motion approving the purchase and payment of an 84-niche rectangular columbarium from Eickhof Columbaria in the amount of \$49,900.00 plus applicable taxes and fees.



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

Feasibility Report

For:

Columbarium at Itasca Calvary Cemetery

January 27th, 2025

Table of Contents

EXECUTIVE SUMMARY	1
PROJECT DESCRIPTION	3
PROJECT LOCATION	3
PROJECT COST AND PRICING STRUCTURE	5
PROJECT FINANCING	6
PROJECT SCHEDULE	6
COST EFFECTIVENESS	6
APPENDIX A -Eickhof Rectangular Unit	7
APPENDIX B -Detailed Project Costs.....	8

EXECUTIVE SUMMARY

Columbarium’s have become a popular request at many cemeteries and churches due to the ever-increasing number of cremations. The Itasca Calvary Cemetery has not provided this service in the past and there are many options and variations that can be installed.

Two Minnesota based companies design, construct and install columbarium’s and have been reviewed for viability. Based on the information provided, it is recommended to purchase and install the 84-niche rectangular unit from Eickhof in Crookston, MN. The cost breakdown between the various units is shown below.

	Eickhof		Cold Spring	
Niches	64	84	32	60
# Urn Spaces	128	168	72	120
Shape	Octagon	Rectangular	Rectangular	Octagon
Cost	\$ 68,000	\$ 50,000	\$ 50,000	\$ 60,000
Foundation	\$ 10,000	\$ 10,000	\$ -	\$ -
Crane	\$ 1,000	\$ 2,000	\$ -	\$ -
Site Costs	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Cost	\$ 89,000	\$ 72,000	\$ 60,000	\$ 70,000
Cost per space	\$ 695	\$ 429	\$ 833	\$ 583
Cost per niche	\$ 1,719	\$ 1,119	\$ 2,188	\$ 1,333

This project is feasible. It will provide a needed service at the cemetery and will be financially sustainable.

Regards,



Matt Wegwerth, PE
Public Works Director / City Engineer

cc: Tom Pagel, City Administrator
Laura Pfeifer, Interim Finance Director

PROJECT BACKGROUND AND SCOPE

Cremation rates are on the rise and now outpace traditional burial. Even as more people choose cremation, inurnment options remain limited, often leaving family and friends without a permanent memorial to pay their respects.

One option for creating a permanent memorial is the installation of a columbarium. The word “columbarium” comes from the Latin word “columbary”, which is a structure for the nesting of doves; the dove being the symbol of spirit and peace. The related word, columbarium, refers to an above-ground burial vault for the containment of urns holding cremated remains. These are typically made of granite and can come in various shapes and sizes. Below are two examples:



PROJECT DESCRIPTION

The project includes the installation of a columbarium and necessary sidewalk at the Itasca Calvary Cemetery. Two designs are the most common, and they include a rectangle shape with niches on both sides or an octagon design with niches all the way around. Each of these provide both single units and double units.

PROJECT LOCATION

The proposed site is located southwest of the existing Chapel building. This area is currently an open space with a scattered few larger trees. Location maps are shown below:







PROJECT COST AND PRICING STRUCTURE

Two Minnesota companies design, construct and install columbaria. Eickhof is in Crookston, MN and Cold Spring Granite is in Cold Spring, MN. Below are cost estimates for several sizes and styles.

	Eickhof		Cold Spring	
Niches	64	84	32	60
# Urn Spaces	128	168	72	120
Shape	Octagon	Rectangular	Rectangular	Octagon
Cost	\$ 68,000	\$ 50,000	\$ 50,000	\$ 60,000
Foundation	\$ 10,000	\$ 10,000	\$ -	\$ -
Crane	\$ 1,000	\$ 2,000	\$ -	\$ -
Site Costs	\$ 10,000	\$ 10,000	\$ 10,000	\$ 10,000
Total Cost	\$ 89,000	\$ 72,000	\$ 60,000	\$ 70,000
Cost per space	\$ 695	\$ 429	\$ 833	\$ 583
Cost per niche	\$ 1,719	\$ 1,119	\$ 2,188	\$ 1,333

Pricing structures can vary and depend on number, type and style of units. Below are two examples.

Cold Spring		Eickhof	
Proposed Pricing Structure - 60 Niche Octagon		Proposed Pricing Structure - 84 Niche Rectangular	
	Price per Niche		Price per Niche
Upper Tier	\$ 2,600	Upper Tier 12x12	\$ 2,400
Middle Tier	\$ 2,200	Upper Tier 8x8	\$ 1,200
Lower Tier	\$ 1,600	Lower Tier 12x12	\$ 2,000
		Lower Tier 8x8	\$ 1,000

For reference, a typical burial, including a monument can range from \$4,000 to \$10,000.

PROJECT FINANCING

The project will be funded by an internal loan from the City to the Cemetery. Revenues generated by the sale of the niches will repay the loan.

PROJECT SCHEDULE

The project is tentatively scheduled to advance as follows:

Council Worksession	January 27, 2025
Council Consider Ordering Columbarium	February 10, 2025
Site Grading and Sit Preparation	Summer 2025
Columbarium Installation	Summer/Fall 2025
Final Site Work	Fall 2025
Columbarium Complete	Late Fall 2025

RECOMMENDATION

It is recommended to move forward with the Eickhof 84-niche rectangular unit. This is the most cost-effective unit that provides the necessary service to the community.

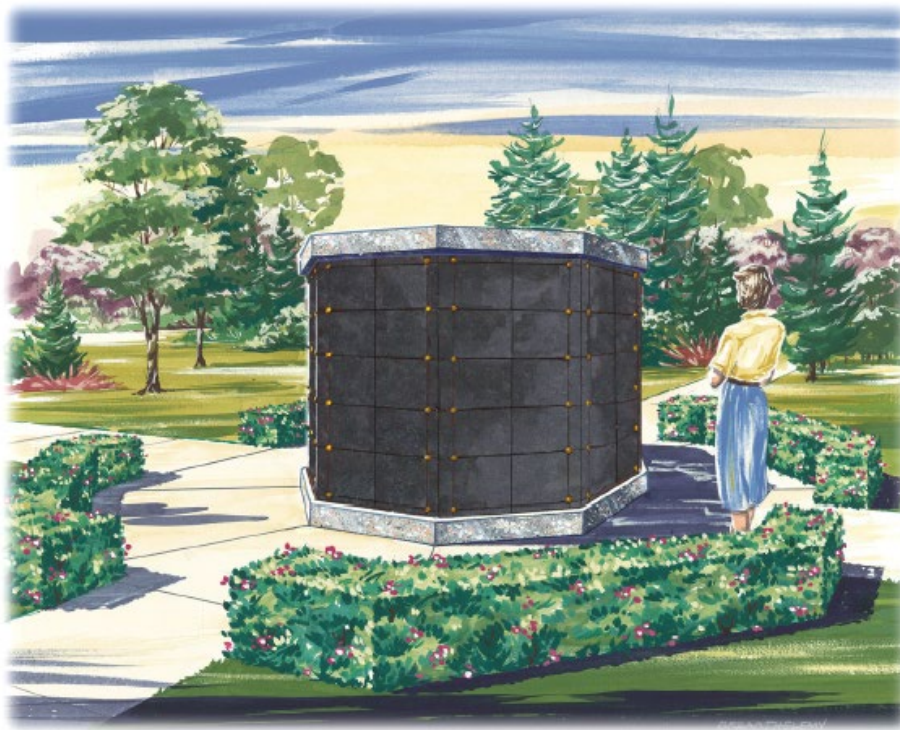
APPENDIX A -Eickhof 84-Niche Rectangular Unit



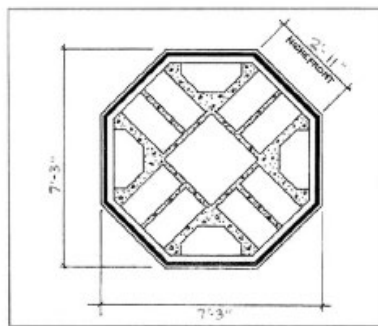
Two-Sided Rectangular Wall
168 Total Inurnment Spaces
84 Companion Niches

48 - 12" x 12" Companion Niches
36 - 8" x 8" Companion Niches

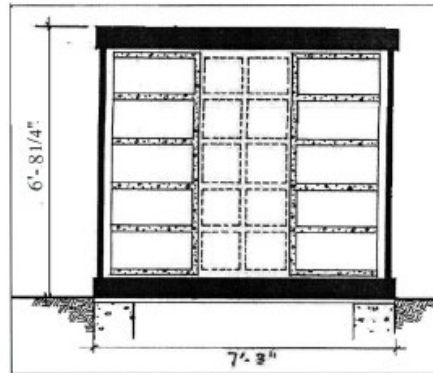
APPENDIX B – Cold Spring 60-Niche Octagon



5-HIGH OCTAGON PRE-ASSEMBLED COLUMBARIUM
FIVE (5) NICHES HIGH WITH FORTY (40) DOUBLE DEPTH SPACES &
TWENTY (20) COMPANION SIDE-BY-SIDE SPACES



PLAN



CROSS SECTION

GRANIT-BRONZ Mausoleum Division



Dwg5252-R98 Scale

1-800-328-5040

This design is property of Cold Spring Granite and protected by applicable copyright laws. Unauthorized use or duplication is prohibited.



EICKHOF®

1200 Bruce Street, Crookston, MN 56716
Phone: 1-800-253-0457

Preliminary Estimate	
Job Number :	25005
Estimate Date :	January 16th, 2025

Owner : City of Grand Rapids

Install Location : Itasca Calvary Cemetery

Address : 420 North Pokegama Avenue
Grand Rapids, MN 55744

Address : 1700 US-169
Grand Rapids, MN 55744

Agent : Matt Wegwerth
Email : mwegwerth@grandrapidsmn.com
Cell # : 218-326-7625

Prepared for : Matt Wegwerth
Email : mwegwerth@grandrapidsmn.com
Cell # : 218-326-7625

ESTIMATE DESCRIPTION

Option A In-Stock Rectangular PA Columbarium Unit, 48 12"x12" and 36 8"x8" niches

Niche Fronts : Included	Color : Mahogany	Finish : Polished
Niche Fronts w/Attached Base : Not Required		
Capstone : Included	Color : Mahogany	Finish : Polished
Base Trim : Included	Color : Mahogany	Finish : Polished
End Panel : Included	Color : Mahogany	Finish : Polished
Back Panel : Not Required		
Base Anchor Brackets : Included		
Back Wall Anchors : Not Required		
Masonry Rap-Ties : Not Required		
Capstone Brackets : Included		
Delivery : Included		
Install : Included		
Crane Done by Others		

We propose to fabricate, deliver, and install the above described project. Our niche fronts are attached utilizing our concealed niche front fastening hardware. All fronts are 3/4" thick and are singles (one front covers one niche). This pricing assumes we will have clear site Access. This pricing does not include the foundation, crane, or any other work needed to prepare your area.

Priced Amount: Forty-Nine Thousand Nine Hundred & 00/100 Dollars **\$ 49,900.00**
Plus Sales Tax

PATENT NOTICE: Eickhof Columbaria Inc. products are covered under one or more of the United States & Canadian patents listed at www.eickhofcolumbaria.com/patents/
Eickhof Columbaria Inc. has invested much time, effort and resources into developing technology for its columbaria and ossuaries. Eickhof Columbaria Inc. has obtained several patents and/or has filed patent applications on columbaria and related technology, including U.S. Patent 10,125,514, entitled COLUMBARIUM WITH INNER OSSUARY and U.S. Patent 10,604,959, entitled COLUMBARIUM WITH INNER OSSUARY. Under 35 U.S.C. 271, whoever without authority makes, uses, offers to sell, or sells any patented invention, within the United States or imports into the United States any patented invention during the term of the patent therefore, infringes the patent. Eickhof Columbaria, Inc. respects intellectual property rights and expects other to respect its rights.

Est. Lead Time : **4 to 24 weeks from date of finalized order.** *Lead Time starts after all contract documents are returned*

This estimated pricing is to provide you with a budget number for planning purposes.

Respectfully Submitted by: Dean M. Henney
Title: Client Guide

Email : dean@eickhofcolumbaria.com
Contact # : 1-800-253-0457



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10th, 2025

AGENDA ITEM: Consider approving the first amendment to a land lease at the GPZ Airport with L3Harris Technologies

PREPARED BY: Matt Wegwerth

BACKGROUND:

L3Harris Technologies currently has a land lease at the Grand Rapids – Itasca County Airport for the ADS-B Radio Station Tower. This current lease expires on September 30, 2025.

The tower site at the airport was originally established on January 1, 2010 and has functioned as a part of the FAA National Airspace Systems (NAS) since.

The attached amendment is an extension of the existing land lease and allows for continued service of the tower.

REQUESTED COUNCIL ACTION:

Make a motion approving the first amendment to a land lease at the GPZ Airport with L3Harris Technologies and authorize the mayor to sign

**FIRST AMENDMENT TO LEASE
GRAND RAPIDS-ITASCA COUNTY AIRPORT, ADS-B RADIO STATION SITE SV170-06**

This First Amendment (“Amendment”) is made by and between **L3Harris Technologies, Inc.**, a Delaware corporation, acting solely and exclusively through its Surveillance and Automation Solutions operating division (“Lessee”), and the **Grand Rapids-Itasca County Airport**, (“Lessor”). This amendment is effective as of the date of the last signature below (“Effective Date”). This Amendment may refer to L3Harris and the **Grand Rapids-Itasca County Airport** collectively as the “Parties,” or individually as a “Party.”

RECITALS

WHEREAS, the original ADS-B radio station site lease agreement (“Agreement”) originally dated 1 January 2010 was between the Grand Rapids-Itasca County Airport and ITT Corporation (“Original Lessee”); and

WHEREAS, Original Lessee divested into Exelis Inc. effective October 31, 2011, Exelis Inc. then merged with and into Harris Corporation effective as of December 31, 2015, and Harris Corporation changed its name to L3Harris Technologies, Inc. effective as of June 29, 2019; and

WHEREAS, the ADS-B radio station site on the leased premises is an integral part of the FAA National Airspace Systems (NAS); and

WHEREAS, the initial 18-year FAA contract term for ADS-B surveillance services with the Lessee concludes at the end of GFY 2025 with such contract services thereafter being continued by FAA extension to the current contract and/or continued under a new FAA contract; and

WHEREAS, Lessor and Lessee desire to amend the terms of the Agreement to update the point of contact for Notice and to extend the term thereof and to otherwise modify the Agreement as expressly provided herein to accommodate services beyond GFY2025 by removing the September 30, 2025 occupancy limitation and replacing it with a limitation based on the then-current FAA contract, thereby providing assurance to the airport that the lease remains valid only if the lessee has an active contract with the FAA that is supported by the leased premises.

NOW, THEREFORE, for and in consideration of the mutual promises herein contained, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by each Party hereto, the Parties mutually agree as follows:

1. **RENEWAL.** Section 8 of the Agreement is deleted and replaced with the following:

This lease may be renewed from year to year at the option of Lessee upon the terms and conditions herein specified. Lessee’s option shall be deemed exercised and the lease renewed each year for one (1) year unless Lessee gives Lessor thirty (30) days written notice that it will not exercise its option, before this lease or any renewal thereof expires; provided, that no renewal thereof shall extend the period of occupancy of the premises beyond September 30, 2045 or the

term of the then-current FAA contract supported by the use of the premises, whichever is longer. Notwithstanding the above, Lessor retains the right to terminate this Agreement with one-hundred eighty (180) days notice to Lessee for the purpose of Lessor constructing or allowing to be constructed any airport improvement project determined, at the sole discretion of the Lessor, to be in the best interest of the Grand Rapids-Itasca County Airport.

2. NOTICES. Section 15 of the Agreement is deleted and replaced with the following:

All notices/correspondences shall be in writing and shall be addressed as follows (or to such other address as either Party may designate from time to time by notice or correspondence to the other).

TO LESSOR: Grand Rapids-Itasca County Airport
Attn: Public Works Director
420 North Pokegama Avenue
Grand Rapids, MN 55744
Matt Wegwerth; Public Works Director
mwegwerth@grandrapidsmn.gov

TO LESSEE: L3Harris Technologies, Inc.
Attn: Jennifer Banasik
2235 Monroe Street (5th floor),
Herndon, VA 20171.
Jennifer.Banasik@L3harris.com.

3. RENT AND ADMINISTRATION CHARGE. Section 6 of the Agreement is deleted and replaced with the following:

Rent is waived by Lessor in consideration of the Surveillance and Broadcast Services provided in and around the airport by Lessee at no cost to the airport. Effective October 1, 2025, Lessor considers the Administration Charge of \$0.44 cents per square foot, totaling \$275.00 annually based on a calculated or estimated square footage of 625 square feet, as a fair and equitable compensation for the administration of this Contract. Said charge shall increase at the rate of 4.0% per year for the term of the lease, with the first increase to take effect on October 1, 2026. Lessee may pay the Administration Charge to Lessor in annual installments due on October 1 of each year. Administration Charges, in all cases, are non-refundable. It may become expedient, advisable, and necessary for the Lessor to increase said Administration Charge during the lease term. Increases to Administration Charges will not be applicable to any such charges paid in advance prior to the date of the increase.

4. The following shall be added to the Agreement as Section 16:

If relocation of the Lessee’s radio site equipment, antenna, personal property and improvements from the current premises is required by the Lessor, the Lessor will assist, to the extent feasible, the Lessee to identify a suitable replacement premises and provide the Lessee with as much prior notice of the need to relocate as reasonably possible to allow the transition

of the Lessee’s radio site equipment, antenna, personal property and improvements to a suitable replacement premises without interruption of Lessee provided services.

- 5. The following shall be added to the Agreement as Section 17:

LONG TERM EVOLUTION (LTE) EQUIPMENT INSTALLATION.

Notwithstanding any terms to the contrary contained in the Agreement, in the event that between the Effective Date and September 30, 2030, L3Harris desires to install certain equipment identified in Exhibit B, attached hereto, installation shall be at no additional cost and shall not be subject to any further fees contemplated in the Agreement.

- 6. All other terms and conditions of the Agreement remain in full force and effect.

IN WITNESS WHEREOF, the Parties have executed this Amendment by their duly authorized officers or representatives as of the date shown below.

GRAND RAPIDS-ITASCA COUNTY AIRPORT

L3HARRIS TECHNOLOGIES, INC.

Signature: _____

Signature: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____

EXHIBIT A



EXHIBIT B

LTE Antenna Specifications

Equipment	Dimensions and Weight
LTE Antenna (Quantity 2) Laird OC69271, or similar	Not to exceed, 9.8" x 1" x 1", 0.3 lbs (each)
LTE Coax Cable (Quantity 2)	Not to exceed, a 0.41 coax line (each)



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10th, 2025

AGENDA ITEM: Consider awarding a contract to TNT Construction Group for the 2025 storm pond maintenance project

PREPARED BY: Matt Wegwerth

BACKGROUND:

The City recently received quotes for the 2025 storm pond cleaning along 7th Avenue SE, between 11th Street SE and 10th Street SE. The project includes sediment removal, inlet/outlet cleaning and turf establishment. Two quotes were received and are summarized below:

TNT Construction Group - \$52,800

Casper Construction - \$92,000

This is a budgeted project for 2025 and will be funded with the SWU account, Contracted services.

REQUESTED COUNCIL ACTION:

Make a motion awarding a contract to TNT Construction Group, in the amount of \$52,800, for the 2025 storm pond maintenance project.

QUOTATION FORM

Grand Rapids, MN
SE 11th St & 7th Ave Pond

Submit quotation form to Dominic DeGuisseppi, City of Grand Rapids, 500 SE 4th St, Grand Rapids, MN by 12:00 pm on Friday January 31st, 2025. Quotes can be mailed or hand delivered:

Quote package shall include the following:

1. Quotation Form
2. Scope/Plan specifications
3. Location map


All spaces of the quotation form shall be filled in. The quote must be in a sealed envelope labeled "Quote for Grand Rapids – SE 11th St & 7th Ave Pond."

Project Description: The project includes the revitalization of a City owned pond. The quote includes all of the labor, materials and all associated work activities. Additional details are provided in the special provisions.

Project will be estimated on a sum per pond basis, based on the following estimated quantities:

SE 11th St & 7th Ave Pond Quote Total \$92,000.00

We, the undersigned, doing business as Casper Construction, Inc. have carefully examined the Quotation Documents and the site of the proposed work, and are familiar with all of the conditions, laws and regulations surrounding the construction of the proposed project including the availability of materials and labor. We hereby propose to the City of Grand Rapids to furnish all labor, materials, equipment, skills and facilities for the complete construction of the BMP Revitalization as described herein. The prices shown include sales tax and all other applicable taxes, permits and fees.

Dated this 31 day of January, 2025
 Name of Company Casper Construction, Inc.
 Signature of Authorized Representative 
 Printed Name of Authorized Representative Dan Watkins
 Title of Authorized Representative Estimator/Project Manager
 Legal Address 212 SE 10th St., Grand Rapids, MN 55744
 Business Phone 218-326-9637

QUOTATION FORM

Grand Rapids, MN
SE 11th St & 7th Ave Pond

Submit quotation form to Dominic DeGuseppi, City of Grand Rapids, 500 SE 4th St, Grand Rapids, MN by 12:00 pm on Friday January 31st, 2025. Quotes can be mailed or hand delivered:

Quote package shall include the following:

- 1. Quotation Form
- 2. Scope/Plan specifications
- 3. Location map

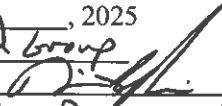
All spaces of the quotation form shall be filled in. The quote must be in a sealed envelope labeled "Quote for Grand Rapids – SE 11th St & 7th Ave Pond."

Project Description: The project includes the revitalization of a City owned pond. The quote includes all of the labor, materials and all associated work activities. Additional details are provided in the special provisions.

Project will be estimated on a sum per pond basis, based on the following estimated quantities:

SE 11th St & 7th Ave Pond Quote Total 52800.00

We, the undersigned, doing business as TNT Construction Group have carefully examined the Quotation Documents and the site of the proposed work, and are familiar with all of the conditions, laws and regulations surrounding the construction of the proposed project including the availability of materials and labor. We hereby propose to the City of Grand Rapids to furnish all labor, materials, equipment, skills and facilities for the complete construction of the BMP Revitalization as described herein. The prices shown include sales tax and all other applicable taxes, permits and fees.

Dated this 31st day of January, 2025
 Name of Company TNT Construction Group
 Signature of Authorized Representative 
 Printed Name of Authorized Representative Dominic Ellison
 Title of Authorized Representative PM
 Legal Address 40 County Rd 63 Grand Rapids
 Business Phone 248-326-1891



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider approving a Lease Agreement with the Northeast Higher Education District for use of the City's athletic fields.

PREPARED BY: Dale Anderson, Director of Parks & Recreation

BACKGROUND:

This is the annual Lease Agreement for ICC's use of Streeatar Baseball Field and the Grand Rapids Sports Complex. The Lease reflects a 3% increase in fees over 2024.

REQUESTED COUNCIL ACTION:

Make a motion to approve a Lease Agreement with the Northeast Higher Education District for use of the City's athletic fields.

LEASE AGREEMENT

This lease, made this ____ day of _____, 2025, between the City of Grand Rapids, a Municipal Corporation, hereafter called the "Lessor", and Minnesota North College including the campuses of Hibbing, Itasca, Mesabi Range, Vermilion, and Rainy River, hereafter called the "Lessee".

Whereas, Lessor owns and operates the Legion Baseball Field and the Grand Rapids Sports Complex; and

Whereas, Lessee has determined that the Legion Baseball Field and the Grand Rapids Sports Complex are suitable facilities for conducting their athletic programs; and

Whereas, Lessor and Lessee wish to enter into this Lease Agreement for the purpose of establishing the terms and conditions pursuant to which the Lessee shall lease the above-named facilities; and

NOW THEREFORE, for good and valuable mutual consideration, Lessor and Lessee mutually agree as follows:

ARTICLE I

1. Lease Agreement: In consideration of and subject to the mutual conditions and obligations of this Lease Agreement to be kept and performed, including the obligation to lease, Lessor does hereby lease to Lessee the Legion Baseball Field and the Grand Rapids Sports Complex Softball Fields solely to the extent of this Lease Agreement.

2. Lessee's Right of Possession and Use: Lessee shall have the right to possess and use the Legion Baseball Field and the Grand Rapids Sports Complex Softball Fields for the purposes, to the extent and at the times set forth in Exhibit A attached hereto, and incorporated by reference. Lessee's right to possess and use the aforementioned facilities shall be intermittent and confined to those portions of the facilities specifically identified in Exhibit A. Lessor and its licensees shall have the right to enter upon and use the aforementioned facilities at all times not consistent with Exhibit A. Lessee shall at all times comply with all statutes, ordinances, codes and regulations of any governmental authority concerning the use of the premises. Lessee shall not permit any hazardous or dangerous activity to be conducted at the aforementioned facilities or allow any activity which will increase insurance risks or premiums on the premises.

3. Schedule of Use: Lessee shall submit to Lessor annually before March 1 for Baseball and Softball schedules of all purposed uses for the upcoming seasons, which

schedules shall be subject to Lessor's approval. It is understood that ISD #318 baseball and softball teams receive priority scheduling rights.

4. Supervision: Safety: Lessee agrees to assume full responsibility for the supervision of all persons entering the aforementioned facilities in conjunction with the Lessee's activities or events, including participants, coaches and other staff and spectators. Lessee shall require that all such persons conduct themselves in an orderly and safe manner consistent with the policies for use of the aforementioned facilities.

5. Concessions: Lessor retains the exclusive right to operate all concessions at the aforementioned facilities either through representatives of Lessor or Lessor's assignees. This Lease Agreement does not confer upon the Lessee the right to operate concessions.

6. Gate Receipts and Admission Charges: The Lessee shall, with prior approval by the Lessor and at their own expense, have the right to charge admission fees for their events. Provisions for simultaneous events held at the Grand Rapids Sports Complex must be made for participants, coaches and spectators for those events.

ARTICLE II

1. Lease: Lessee shall pay to Lessor according to the following schedule: by August 1, 2025 Lessee shall pay \$8,500.00 (\$4,250.00 for softball and \$4,250.00 for baseball).

*If seasons are cancelled by the Governor due to Covid-19, lease rates will be reduced by 25%.

Lease payments shall be payable to the City of Grand Rapids and mailed or delivered to: City Hall, 420 N Pokegama Avenue, Grand Rapids, MN 55744.

ARTICLE III

1. Maintenance and Repair: Lessor shall at all times during the term of this Lease Agreement, at Lessor's own cost and expense, repair and maintain the aforementioned facilities and any improvement or alterations except as otherwise provided in this Article.

2. Damages: Lessee shall reimburse Lessor for the reasonable cost to repair and restore the aforementioned facilities in the event of damage to the premises caused by participants, coaches or other staff, or spectators who are in or upon the aforementioned facilities in conjunction with any of the Lessee's activities or events.

3. Cleanup: Although Lessor retains ultimate responsibility for maintenance, Lessee shall perform routine cleanup after its use of the premises, including proper storage of equipment, pick up and proper disposal of litter.

4. Alterations, Improvements: Lessee shall not make alterations or improvements to the premises without the advanced written consent of Lessor.

5. Facility Preparation: The Lessor shall prepare the Grand Rapids Sports Complex softball fields including mowing, infield dragging, field painting, and disposal of garbage and rest room maintenance. An outfield fence shall be placed on the game field as needed. Lessee will perform infield dragging and field painting at Legion Field.

ARTICLE IV

1. Term: The term of this Lease Agreement shall be from April 1 - October 30, 2025.

ARTICLE V

1. Lessor's Access: The Lessor shall have the right to enter the leased premises for the purpose of inspecting, repairing, altering or improving the leased facilities or for any other purpose not inconsistent with Exhibit A.

ARTICLE VI

1. Indemnity: Lessee shall protect, defend, hold harmless and indemnify Lessor against any and all claims, actions, losses, costs, expenses and liabilities, including reasonable attorneys' fees for defense, arising out of or in any way related to Lessee's use of the premises or any of Lessee's activities or events, save when said claim, action, loss, cost, expense or liability is proximately caused solely and exclusively by the negligence or breach of this Lease Agreement by Lessor. In case of any action or proceeding brought against Lessor by reason of a claim covered by this Paragraph 11.1, upon notice from Lessor, Lessee covenants to defend such action or proceeding by counsel reasonable satisfactory to Lessor.

2. Insurance: Lessee shall maintain throughout the term of this Lease Agreement policy of comprehensive general liability insurance with limits of as specified below for the calendar year 2025 and must name the City of Grand Rapids as an additional insured. The limit of such insurance policy shall not be less than the City's maximum limits of liability as set forth in **Minn. Stat. Sec. 466.04**. Said policy of insurance shall be evidenced by a certificate of insurance, which shall be placed on file with Lessor by Lessee prior to commencement of occupancy of the premises by Lessee. Each such policy or certificate shall contain a valid provision or endorsement that the policy may not be canceled, terminated, changed or

modified without giving Lessor thirty (30) days advance written notice of such change. The policy shall also contain a contractual liability endorsement evidencing insurance coverage for Lessee's indemnification obligation to Lessor under this Lease Agreement.

3. Liability to Lessee: Lessor shall not be liable to Lessee or to any employee, student or invitee of Lessee for any claim or cause of action arising out of death, injury, damage to property occurring in, on or about the leased premises except for damages, attributable exclusively to the negligence or breach of this Lease Agreement by Lessor, its employees or agents, by a court of competent jurisdiction.

4. Liability Limits Not Waived: Nothing in this Article VI shall cause either Lessor or Lessee to be subject to liability in excess of any statutory limits of liability applicable to Lessor or Lessee.

ARTICLE VII

1. No Partnership: Nothing contained in this Lease Agreement shall be deemed or construed to create a partnership or joint venture of or between Lessor and Lessee or to create any other relationship between the parties hereto other than that of Lessor and Lessee.

IN WITNESS WHEREOF, the parties have caused this agreement to be duly executed intending to be bound thereby.

APPROVED:

1. LESSOR: City of Grand Rapids

Licensor certifies that the appropriate person(s) have executed the Agreement on behalf of Licensor as required by applicable articles, bylaws, resolutions, or ordinances.

By (authorized signature)
Title
Date

By (authorized signature)
Title
Date

2. Minnesota State: STATE OF MINNESOTA BY AND THROUGH THE BOARD OF TRUSTEES OF MINNESOTA STATE COLLEGES AND UNIVERSITIES, ON BEHALF OF Minnesota North College

By (authorized signature)
Title
Date

3. AS TO ENCUMBRANCE:

By (authorized signature)
Title
Date

4. AS TO FORM AND EXECUTION:

By (authorized signature)
Title
Date

Exhibit A**Softball Uses at Grand Rapids Sports Complex Include:**

- Itasca Campus Women's Fastpitch Softball Practices
- Itasca Campus Women's Fastpitch Softball Regular Season and Post-Season Games (Field preparation to be performed by Lessor)
- Tournament games are NOT included in this lease and will be invoiced at \$100 per game
- Any home games hosted by Minnesota North College including Hibbing Campus, Mesabi Range Campus, Vermilion Campus and Rainy River Campus at \$100 per game (Field preparation to be performed by Lessee)

Baseball Uses at Legion Field Include:

- Itasca Campus Spring and Fall Baseball Practices
- Itasca Campus Baseball Regular and Post-Season Games (Field preparation to be performed by Lessee)
- Any home games hosted by Minnesota North College including Hibbing Campus, Mesabi Range Campus, Vermilion Campus and Rainy River Campus at \$250 per game (Field preparation to be performed by Lessee)



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider amending official list of designated Community Festivals for the City of Grand Rapids

PREPARED BY: Kimberly Gibeau

BACKGROUND:

The City of Grand Rapids has officially designated the several events as ‘Community Festivals.’

Sponsors of the Grand Rapids Rockfest are requesting designation for their event which will take place in July 2025 with plans to continue as an annual event.

REQUESTED COUNCIL ACTION:

Make a motion to amend official list of designated Community Festivals to include the Grand Rapids Rockfest scheduled for July 2025 and annually thereafter.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider accepting a proposal for engineering services related to the Highway 169 South Lighting Project, Phase 3

PREPARED BY: Matt Wegwerth

BACKGROUND:

The city requested an engineering services proposal related to the Highway 169 South Lighting Project, Phase 3. This project includes the replacement of 9 existing lights along TH 169, from 21st Street South to 25th Street South. Bolton & Menk submitted a proposal in the amount of \$11,500.00. This is inline with previous proposals and Bolton & Menk completed the Phase 2 engineering, which provides consistency.

The work requested is to prepare plans and specifications for the light replacement and limited construction services. City staff will handle bidding and construction administration. Project will be funded by the PIR account.

Staff recommend awarding the proposal to Bolton & Menk.

REQUESTED COUNCIL ACTION:

Make a motion accepting a proposal for design services related to the Highway 169 South Lighting Project, Phase 3, from Bolton & Menk for the lump sum amount of \$11,500.00.



Real People. Real Solutions.

504 NW 1st Item 17.
Suite 205
Grand Rapids, MN 55709

Ph: (218) 571-4347
Bolton-Menk.com

SENT VIA EMAIL

February 7, 2025

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

RE: Proposal of Services– US Trunk Highway 169 2025 Lighting Project

Dear Mr. Wegwerth

On behalf of Bolton & Menk, Inc., we thank you for the opportunity to present this scope and fee letter in response to the City of Grand Rapids request to develop construction plans, specifications, and quantities for street lighting improvements on U.S. Trunk Highway 169 (Pokegama Avenue) between 21st Street South and 25th Street South.

This proposal describes our understanding of the project, defines the scope of work, and provides you with an estimate of the cost of our services. The following project scope and proposed fees have been broken into two primary tasks; topographic survey and final design (development of plans, specifications, and quantities). Our understanding is that the project will be bid in spring/early summer of 2025 with substantial completion in 2025. Developing an accurate and concise project manual for bidding is one of the most important steps to delivering a successful project and we consider these tasks as the milestones in the project development process.

We appreciate the opportunity to work with the City of Grand Rapids and look forward to developing great working relationships with the staff and council. Please feel free to contact me with any questions or comments regarding the services proposed herein by email at andrew.brotzler@bolton-menk.com or by phone at (218) 812-8900.

Sincerely,

Bolton & Menk, Inc.

Andy Brotzler, P.E.
Senior Project Manager

Name: Proposal of Services – TH 169 2025 Lighting

Date: February 7, 2025

Page: 2

Project Understanding

The City of Grand Rapids is planning to replace 9 streetlights along Trunk Highway 169, from 21st Street South to 25th Street South. The project will include new foundation bases, light poles, conduit, wiring, and will connect to an existing control cabinet located at the southwest corner of 21st Street South and Trunk Highway 169 that was installed in 2024. The scope of services to be performed by the consultant is expected to include preparing construction plans, specifications, bid quantities, and a cost estimate. These services are expected to be completed by May 1, 2025. Additionally, the consultant will address contractor questions during the bidding process, and prepare necessary as-builts in accordance with MnDOT requirements following the completion of the project.



Project Tasks

Task 1 – Topographic Survey & Field Review

The Bolton & Menk team will collect and review field data for the project corridor with the following objectives:

- Complete a site visit before the kickoff meeting to identify potential challenges in the project area.
- Collect all necessary topographic survey and conduct all Gopher State One Call activities.
- Utilize in-place power location located at the southwest corner of 21st Street South and Trunk Highway 169.

Name: Proposal of Services – TH 169 2025 Lighting

Date: February 7, 2025

Page: 3

- Determine light locations; this includes considering in-place utilities, in-place utility poles, and optimal new pole and light unit locations, as necessary.

Task 2 – Final Design

Our team will complete the detailed design of the proposed improvements consistent with the latest City and MnDOT design requirements, and following all federal and state laws, rules, and regulations. Our team will complete all design tasks including:

- Develop construction plan sheets for project corridor that meet state aid standards; it is expected that a 60% and 100% plan submittal will be provided and include:
 - Title Sheet
 - Project location map
 - Construction notes
 - Lighting Details
 - Removal plan
 - Lighting Improvements- proposed lighting plan over an aerial image showing light locations, cable, wire, conduit, service cabinet and source of power locations, and right-of-way.
 - Wiring Diagram
- Project proposal
 - Bid items and Statement of Estimated Quantities for quotation form.
 - Project Special Provisions
 - Shop Drawing Review

Task 3 – Construction

Our team will complete an inspection of the new lighting system components once installed by the Contractor. Our inspection staff are MnDOT Signals & Lighting certified and will conduct the inspection according to MnDOT standards. A punch list will be sent to the contractor with any necessary rework and photos of the inspection will be taken to document the visit. Once the system is accepted, we will work with the contractor to develop as-built drawings of the new lighting system and components in accordance with MnDOT requirements.

Basis of Payment

The total estimated lump sum fee for the project scope as described above is \$11,500.00. It is understood that if the duration, scope, or extent of work changes the budget will be adjusted accordingly. Before any out-of-scope work is initiated, however, we will submit a budget request for the new work and will not begin work until we receive authorization from the City of Grand Rapids.

Name: Proposal of Services – TH 169 2025 Lighting

Date: February 7, 2025

Page: 4

Assumptions

- No photometric analysis will be performed, lights will be replaced in the same general locations.
- City of Grand Rapids to advertise and handle bidding process.
- City of Grand Rapids to provide construction management.
- City of Grand Rapids to provide MnDOT permitting.
- One inspection trip will be made.

PIERRINGER RELEASE

NOW, THEREFORE, for the sole consideration of the sum of \$900, Jonathon Edward Treece as the Releasing Party, and the City of Grand Rapids, Minnesota as the Released Party in regards to the costs incurred by the accidental misplacement of your wallet, its contents, and a knife on 01/29/2025, agree as follows:

The Releasing Party (Jonathan Edward Treece) hereby fully and forever release and discharge the City of Grand Rapids, its Police Department, its heirs, administrators, agents, assigns and successors of and from any and all claims, damages, demands, actions and rights of action of whatever nature (including any and all consequences therefor, including unforeseen consequences of known or unknown conditions, and all contractual claims, including attorney's fees, expenses, interest and costs and disbursements) which they may have.

In accepting the amount of this Release, the Releasing Party credit and satisfy the loss of the wallet, its contents and knife which may have been caused by the City of Grand Rapids as may be determined in any future legal action or proceeding.

This payment is a compromise of a disputed claim and payment is not to be construed as an admission of liability on the part of the City of Grand Rapids, and the City of Grand Rapids denies liability therefor and intends merely to avoid litigation and resolve this dispute.

Dated: _____

Jonathon Edward Treece

Dated: _____

City of Grand Rapids, MN

By: _____

By: _____



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 02/10/2025

AGENDA ITEM: Consider approval of Pierringer Release with Jonathan Edward Treece.

PREPARED BY: Captain Kevin Ott

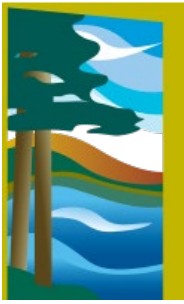
BACKGROUND:

On 01/29/2025, during an investigation and subsequent arrest of Jonathan Edward Treece, his wallet, its contents, and a knife were placed on the hood of a Grand Rapids Police squad car. Officers accidentally drove away from the scene without securing these items and they were lost.

Mr. Treece has indicated that the replacement of the wallet, its contents and the knife will be satisfied with the amount of \$900.00. The City Attorney has approved the Pierringer Release that will fully and forever release and discharge the City of Grand Rapids from any future claims involving the loss of Mr. Treece's property.

REQUESTED COUNCIL ACTION:

Make a motion to approve a Pierringer Release agreement with Jonathan Edward Treece.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider adopting a resolution approving a Development Assistance Agreement with KTJ 435, LLC and providing the form, terms, covenants and directions for the issuance of a TIF revenue note in connection therewith.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

KTJ 435 is a limited liability corporation formed by Oppidan Development for a specific project to develop and own a 132-unit apartment to be located on a 15-acre parcel which they are purchasing from the Grand Rapids EDA in the plat of Great River Acres, near the West Rapids Elementary School.

This \$33M project involves not only bank lending and private equity, but also grants secured by the City of \$800,000 from MN IRRR, and \$7,946,000 from Minnesota Housing Finance Agency Workforce Housing Program. To close the remainder of the financing gap, the City Council established TIF District 1-17: (Oppidan Workforce Housing) following a public hearing held on December 2, 2025.

At the time of the TIF district and tax abatement approval in December, the final action to approve a Development Assistance Agreement was not taken, because the final draft form of it was not yet prepared and agreed to by both parties.

The Development Assistance Agreement is a three-party agreement between KTJ 435, GREDA and the City. As with similar agreements for past projects, it addresses the required actions by all parties regarding, construction of the project, TIF and Tax Abatement and management of grant funds awarded to the City for the project.

Like the Development Assistance Agreement with Oppidan for the Pillars of Grand Rapids project, Section 3.9 of the agreement contains a lookback provision. This provision allows the City to review the actual performance (Yield on Cost Return) of the project after it is operating

and determine if it exceeds a figure of 8.0%. If it does, the City can adjust the amount of TIF and Tax Abatement assistance downward to cap the returns at that amount.

With approval of this agreement, the project will continue on its track toward a real estate closing with GREDA, permitting and construction start this spring.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution approving a Development Assistance Agreement with KTJ 435, LLC and providing the form, terms, covenants and directions for the issuance of a TIF revenue note in connection therewith.

DEVELOPMENT ASSISTANCE AGREEMENT

BY AND BETWEEN

THE CITY OF GRAND RAPIDS, MINNESOTA,
THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY,

AND

KTJ 435, LLC

This document drafted by:

Kutak Rock LLP (GAF)
60 South 6th Street, Suite 3400
Minneapolis, MN 55402

TABLE OF CONTENTS

ARTICLE I DEFINITIONS3
 Section 1.1 Definitions3

ARTICLE II REPRESENTATIONS AND WARRANTIES7
 Section 2.1 Representations and Warranties of the City.....7
 Section 2.2 Representations and Warranties of the Authority7
 Section 2.3 Representations and Warranties of the Developer.....7

ARTICLE III UNDERTAKINGS BY DEVELOPER AND CITY9
 Section 3.1 Project and Public Development Costs.....9
 Section 3.2 TIF Note.....9
 Section 3.3 Abatement Assistance.....10
 Section 3.4 Land Write Down.11
 Section 3.5 Business Subsidy Act.....12
 Section 3.6 Real Property Taxes.....12
 Section 3.7 Developer to Pay City and Authority’s Fees and Expenses.....13
 Section 3.8 Restrictions on Use13
 Section 3.9 Lookback13
 Section 3.10 IRRR Workforce Grant.....16
 Section 3.11 Deferred Loan18
 Section 3.12 IRRR Predevelopment Grant19

ARTICLE IV ADDITIONAL PROJECT COVENANTS22
 Section 4.1 Construction Plans.22
 Section 4.2 Compliance with Environmental Requirements22
 Section 4.3 Commencement and Completion of Construction.....23
 Section 4.4 Certificate of Completion23
 Section 4.5 Additional Responsibilities of the Developer24
 Section 4.6 Right to Collect Delinquent Taxes.....24
 Section 4.7 Prohibition Against Transfer and Assignment.....25
 Section 4.8 Records25
 Section 4.9 Encumbrance of the Development Property25

ARTICLE V EVENTS OF DEFAULT27
 Section 5.1 Events of Default Defined27
 Section 5.2 Remedies on Default.....27
 Section 5.3 No Remedy Exclusive28
 Section 5.4 No Implied Waiver28
 Section 5.5 Indemnification of City and Authority..28
 Section 5.6 Reimbursement of Attorneys’ Fees.29

ARTICLE VI ADDITIONAL PROVISIONS30
 Section 6.1 Insurance.....30
 Section 6.2 Conflicts of Interest31
 Section 6.3 Titles of Articles and Sections31
 Section 6.4 Notices and Demands31
 Section 6.5 No Additional Waiver Implied by One Waiver.....32
 Section 6.6 Counterparts.....32
 Section 6.7 Law Governing.32

Section 6.8 Term; Termination.....32

Section 6.9 Provisions Surviving Recession; Expiration or Termination.....32

Section 6.10 Amendment.....32

Section 6.11 Superseding Effect.....32

Section 6.12 Relationship of Parties33

Section 6.13 Venue.....33

Section 6.14 Interpretation; Concurrence33

Section 6.15 Recording.....33

Section 6.16 Government Data.....33

EXHIBIT A Description of TIF District..... A-1

EXHIBIT B Description of Development Property..... B-1

EXHIBIT C Form of TIF Note C-1

EXHIBIT D Form of Tax Abatement Note D-1

EXHIBIT E Certificate of Completion E-1

EXHIBIT F Public Development Costs.....F-1

DEVELOPMENT ASSISTANCE AGREEMENT

THIS DEVELOPMENT ASSISTANCE AGREEMENT (the “Agreement”), made as of _____, 2025, by and between the CITY OF GRAND RAPIDS, MINNESOTA, a municipal corporation and political subdivision organized and existing under the Constitution and laws of the State of Minnesota (the “City”), the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a body corporate and politic organized and existing under the laws of the State of Minnesota (the “Authority”), and KTJ 435, LLC, a Minnesota limited liability company (the “Developer”).

WITNESSETH:

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in connection therewith, created a development project known as Municipal Development District No. 1 (the “Development District”) and developed a Development Program (the “Development Program”) therefor pursuant to Minnesota Statutes, Sections 469.124 to 469.133, as amended; and

WHEREAS, the Authority was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the “Act”) and was authorized to transact business and exercise its powers by a resolution of the City Council of the City and has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in connection therewith, created a development project known as the EDA Development District (the “EDA Development District”); and

WHEREAS, pursuant to the provisions of Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”), the City has created, within the Development District on property legally described in **Exhibit A** attached hereto, Tax Increment Financing District No. 1-17: Oppidan Workforce Housing, qualified as an economic development tax increment financing district (the “TIF District”), and has adopted a Tax Increment Financing Plan therefor (the “TIF Plan”), approved by the City Council of the City (the “City Council”) on December 2, 2024, which provides for the use of tax increment financing in connection with certain development within the Development District and TIF District; and

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

WHEREAS, pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Tax Abatement Act”), the City has established a Tax Abatement Program (as defined herein); and

WHEREAS, the Developer has also requested tax abatement assistance from the City to finance certain other costs of the Project as more particularly set forth in this Agreement; and

WHEREAS, the Developer has also requested financial assistance in the form of the Land Write Down (as defined herein) from the Authority to finance the acquisition of the Development Property (as defined herein) from the Authority as more particularly set forth in this Agreement; and

WHEREAS, the City and the Authority believe that the development of the Project and fulfillment of this Agreement are vital and are in the best interests of the City and the Authority, the health, safety, morals and welfare of residents of the City, and in accordance with the public purpose and provisions of

the applicable state and local laws and requirements under which the Project has been undertaken and is being assisted; and

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

ARTICLE I
DEFINITIONS

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

Abatement Payment Date means each February 1 and August 1, commencing on the earlier of (i) the February 1 or August 1, whichever is first, following the Final TIF Payment Date and the satisfaction of the conditions set forth in Section 3.3(1) to and including the Final Tax Abatement Payment Date; provided, that if any such Abatement Payment Date should not be a Business Day, the Abatement Payment Date shall be the next succeeding Business Day;

Administrative Costs has the meaning set forth in Section 3.7;

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

Authority means the Grand Rapids Economic Development Authority, a body corporate and politic organized and existing under the laws of the State;

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

Board means the Board of Commissioners of the Authority;

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

Business Subsidy Act means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended;

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

City means the City of Grand Rapids, Minnesota;

City Council means the City Council of the City;

City Financial Assistance means the financial assistance to be offered by the City to the Developer through the TIF Plan and the Tax Abatement Program as provided for in Article III of this Agreement in an aggregate principal amount not to exceed \$4,183,506 subject to adjustment in accordance with Section 3.9 hereof;

Closing Date means individually or collectively as the context implies, the date or dates of the closing on the sale of the Development Property by the Authority to the Developer, pursuant to the Purchase Agreement;

Construction Documents means the following documents, all of which shall be in form and substance acceptable to the City: (a) evidence satisfactory to the City showing that the Project conforms to applicable zoning, subdivision and building code laws and ordinances, including a copy of the building permit for the Project; (b) a copy of the executed standard form of agreement between owner and architect

for architectural services for the Project, if any; and (c) a copy of the executed General Contractor's contract for the Project, if any;

Construction Plans means the plans, specifications, drawings and related documents for the construction of the Project which shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the building inspector of the City;

County means Itasca County, Minnesota;

Deferred Loan has the meaning set forth in Section 3.11 hereof.

Developer means KTJ 435, LLC, a Minnesota limited liability company, and its authorized successors and assigns;

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

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

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

Event of Default means any of the events described in Section 6.1 hereof;

Final Abatement Payment Date means the earliest of (i) the date on which the entire principal on the Tax Abatement Note has been paid in full; (ii) February 1, 2056; (iii) any earlier date this Agreement or the Tax Abatement Note is terminated or cancelled in accordance with the terms hereof or deemed paid in full; or (v) the date the City cancels the Tax Abatement Note upon a written request for termination from the Developer;

Final TIF Payment Date means the earliest of (i) the date on which the entire principal on the TIF Note has been paid in full; (ii) February 1, 2036; (iii) any earlier date this Agreement or the TIF Note is terminated or cancelled in accordance with the terms hereof or deemed paid in full; (iv) the February 1 following the date the TIF District is terminated in accordance with the TIF Act; or (v) the date the City cancels the TIF Note upon a written request for termination from the Developer;

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

IRRR means the Minnesota Department of Iron Range Resources and Rehabilitation;

IRRR Predevelopment Grant means the grants described in Section 3.12 hereof;

IRRR Workforce Housing Grant means the grants described in Section 3.10 hereof;

Land Write Down means the reduction of the purchase price from fair market value provided to the Developer by the Authority pursuant to the terms of Section 3.4 hereof;

Minnesota Housing means the Minnesota Housing Finance Agency;

Net Tax Capacity has the meaning provided in Minnesota Statutes, Section 273.13, subdivision 21b, as it may be amended from time to time;

Pledged Tax Abatements mean 100% of the Tax Abatements for the tax-payable years during which payments of Tax Abatements shall be made to the Developer in accordance with Section 3.3 hereof (estimated to commence August 1, 2036 and ending no later than February 1, 2056);

Pledged Tax Increments means for any six-month period, 90% of the Tax Increments received by the City since the previous TIF Payment Date;

Project means the acquisition of the Development Property by the Developer from the Authority and the construction and equipping thereon of an approximately 132-unit market rate rental housing community to be owned by the Developer;

Public Development Costs means the public development costs of the Project incurred by the Developer, or its assigns listed in **Exhibit F** attached hereto which the City intends to reimburse partially through the TIF Note and partially through the Tax Abatement Note;

Purchase Agreement means collectively, the Purchase Agreement, dated January 4, 2025, between the Authority and the Developer relating to the Development Property, pursuant to which the Authority has agreed to sell the Development Property to the Developer and the Developer has agreed to purchase the Development Property from the Authority;

State means the State of Minnesota;

Tax Abatements mean a portion of the City's share of annual real estate taxes received by the City with respect to the Development Property in an amount calculated in each tax-payable year as follows: the City tax rate for such tax-payable year multiplied by the difference between the Net Tax Capacity of the Development Property as improved by the Project, as of January 2 in the prior year, less \$735 (i.e. the Net Tax Capacity of the Development Property, as established by the County assessor on January 2, 2023 for taxes payable in 2024) and excluding the portion of the Net Tax Capacity attributable to the areawide tax under Minnesota Statutes, Chapter 276A, then abated in accordance with the Tax Abatement Program;

Tax Abatement Act means Minnesota Statutes, Sections 469.1812 through 469.1815, as amended;

Tax Abatement Note means the Taxable Abatement Revenue Note (Oppidan Workforce Housing Project), to be executed by the City and delivered to the Developer pursuant to Section 3.3 hereof, substantially in the form set forth in **Exhibit D** attached hereto;

Tax Abatement Program means the terms set forth in the abatement resolution adopted by the City on December 2, 2024;

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

Termination Date means, with respect to this Agreement, the earliest of: (i) February 1, 2056; (ii) the date that both the TIF Note and the Tax Abatement Note are paid in full; (iii) the date the City cancels both the TIF Note and the Tax Abatement Note upon a written request for termination from the Developer; or (iv) the date the Agreement is cancelled in accordance with the terms hereof;

TIF Act means Minnesota Statutes, Sections 469.174 through 469.1794, as amended;

TIF District means Tax Increment Financing District No. 1-17: Oppidan Workforce Housing, located within the Development District in the City, consisting of the property legally described in **Exhibit A** attached hereto, which was established as an economic development district under the TIF Act;

TIF Note means the Taxable Tax Increment Revenue Note (Oppidan Workforce Housing Project) to be executed by the City and delivered to the Developer pursuant to Section 3.2 hereof, substantially in the form attached hereto as **Exhibit C**; and

TIF Payment Date means each February 1 and August 1, commencing on August 1, 2027 and thereafter to and including the Final TIF Payment Date; provided, that if any such TIF Payment Date should not be a Business Day, the TIF Payment Date shall be the next succeeding Business Day;

TIF Plan means the tax increment financing plan approved for the TIF District;

Unavoidable Delays means delays, outside the control of the party claiming its occurrence, which include but are not limited to those which are the direct result of strikes, other labor troubles, unavailability of materials, hazardous materials, terrorism, unusually severe or prolonged bad weather, acts of God, fire or other casualty to the Project, litigation commenced by third parties which, by injunction or other similar judicial action or by the exercise of reasonable discretion, directly results in delays, or acts of any federal, state or local governmental unit (other than the City) which directly result in delays.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

Section 2.1 Representations and Warranties of the City. The City makes the following representations and warranties:

- (1) The City is a municipal corporation organized and existing under the Constitution and laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.
- (2) The City has taken the actions necessary to establish the TIF District as an “economic development district” within the meaning of Minnesota Statutes, Section 469.174, Subdivision 12.
- (3) The Tax Abatement Program was created, adopted and approved in accordance with the terms of the Tax Abatement Act and the City made the findings required by the Tax Abatement Act for the Tax Abatement Program.
- (4) The Project contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program and the TIF Plan.
- (5) The City makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer’s purposes or needs.

Section 2.2 Representations and Warranties of the Authority. The Authority makes the following representations and warranties:

- (1) The Authority is a public body corporate and politic organized and existing under the Constitution and laws of the State and has the power to enter into this Agreement and carry out its obligations hereunder.
- (2) The Authority makes no representation or warranty, either express or implied, as to the Development Property or its condition, or that the Development Property shall be suitable for the Developer’s purposes or needs.

Section 2.3 Representations and Warranties of the Developer. The Developer makes the following representations and warranties:

- (1) The Developer is a Minnesota limited liability company duly and validly organized and existing in good standing under the laws of the State, and has the corporate power and authority to enter into this Agreement and to perform its obligations hereunder and is not in violation of any law of the State.
- (2) The Project would not be undertaken by the Developer, and in the opinion of the Developer would not be economically feasible within the reasonably foreseeable future, without the assistance and benefit to the Developer provided for in this Agreement.
- (3) If and when constructed, the Developer will cause the Project to be constructed in accordance with this Agreement and all City, County, State and federal laws and regulations (including, but not limited to, environmental, zoning, energy conservation, building code and public health laws and regulations including the Americans with Disabilities Act).

(4) Before the Project may be constructed, the Developer will obtain or cause to be obtained, in a timely manner, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable City, County, State, and federal laws and regulations.

(5) Neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any contractual restriction, evidence of indebtedness, agreement or instrument of whatever nature to which the Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

(6) The Developer understands that the City and the Authority may subsidize or encourage other developments in the City, including properties that compete with the Development Property and the Project, and that such subsidies may be more favorable than the terms of this Agreement, and that the City and the Authority have informed the Developer that development of the Development Property will not be favored over the development of other properties.

(7) No member of the City Council, no other officer of the City, no member of the Board or other officer of the Authority has either a direct or indirect financial interest in this Agreement, nor will any member of the City Council, any other officer of the City, any member of the Board or any other officer of the Authority benefit financially from this Agreement within the meaning of Minnesota Statutes, Sections 412.311 and 471.87.

(8) The Developer did not obtain a building permit for any portion of the Project or for any other improvements on the Property not included in the calculation of the original tax capacity before the date of original approval of the TIF Plan by the City.

(9) The total development costs of the Project are estimated to be approximately \$_____, and the sources of revenue to pay such costs are approximately \$_____, excluding the tax increment assistance, land write down, and tax abatement assistance, and the Developer has been unable to obtain additional private financing for the total development costs.

(10) The proposed development by the Developer hereunder would not occur but for the City Financial Assistance and the Land Write Down being provided by the City and the Authority hereunder.

(11) The Developer's equity contribution to the Project shall not be less than \$8,355,074.

ARTICLE III

UNDERTAKINGS BY DEVELOPER AND CITY

Section 3.1 Project and Public Development Costs.

(1) The Developer will acquire the Development Property from the Authority in accordance with the terms of the Purchase Agreement and cause the Project to be constructed on the Development Property substantially in conformance with the terms of this Agreement and all local, state, and federal laws and regulations including, but not limited to, environmental, zoning, building code and public health laws and regulations. The City acknowledges that this Agreement is the “Development Assistance Agreement” referred to in, and required as a contingency to closing under, the Purchase Agreement.

(2) The Developer shall, in a timely manner, comply with all requirements necessary to obtain, or cause to be obtained, all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state, and federal laws and regulations which must be obtained or met for the construction and operation of the Project.

(3) The costs of acquiring, constructing and improving the Project shall be paid by the Developer and the City shall reimburse the Developer for the Public Development Costs in the City Financial Assistance through the issuance of the TIF Note and the Tax Abatement Note as provided herein.

(4) The parties agree that the Public Development Costs to be incurred by the Developer are essential to the successful completion of the Project. The Developer anticipates that the Public Development Costs for the Project will be at least \$4,183,506. The City Financial Assistance shall be made from the Pledged Tax Increments and, if necessary, the Pledged Tax Abatements, but in no event shall the aggregate amount of City Financial Assistance exceed \$4,183,506.

Section 3.2 TIF Note.

(1) The TIF Note will be originally issued to the Developer, as provided in Section 3.2(2), in a principal amount equal to the lesser of (i) \$4,183,506; or (ii) the amount of Public Development Costs actually incurred and shall be dated as of its date of issuance. The principal of the TIF Note shall be payable on a pay-as-you-go basis solely from the Pledged Tax Increments as provided below.

(2) The TIF Note shall be issued, in substantially the form attached hereto as **Exhibit C** only when: (A) the Developer shall have submitted written proof and other documentation as may be reasonably satisfactory to the City of the exact nature and amount of the Public Development Costs incurred by the Developer, together with such other information or documentation as may be reasonably necessary and satisfactory to the City to enable the City to substantiate the Developer’s tax increment expenditures for Public Development Costs and/or to comply with its increment reporting obligations to the Commissioner of Revenue, the Office of the State Auditor or other applicable official; (B) the Developer shall have obtained a certificate of occupancy from the City for the Project and a Certificate of Completion as provided in this Agreement; (C) the Developer shall have paid all of the Administrative Costs required to have been paid as of such date in accordance with Section 3.7 hereof; (D) the Developer is in material compliance with each term or provision of this Agreement required to have been satisfied as of such date; (E) the Developer shall have submitted its Total Project Costs in order for the City to complete the lookback set forth in Section 3.9(8) and adjust the amount of the City Financial Assistance, if necessary; and (F) the Developer has signed an Acknowledgement Regarding TIF Note in substantially the form attached to the TIF Note. The documentation provided in accordance with Section 3.2(2)(A) shall include specific invoices

for the particular work from the contractor or other provider and shall include paid invoices, copies of remittances and/or other suitable documentary proofs of the Developer's payment thereof.

(3) The TIF Note shall not bear interest. Principal on the TIF Note will be payable on each TIF Payment Date; however, the sole source of funds required to be used for payment of the City's obligations under this Section and correspondingly under the TIF Note shall be the Pledged Tax Increments received in the 6-month period preceding each TIF Payment Date. On each TIF Payment Date the Pledged Tax Increment shall be applied to reduce the principal. All Tax Increments in excess of the Pledged Tax Increments necessary to pay the principal on the TIF Note are not subject to this Agreement, and the City retains full discretion as to any authorized application thereof. To the extent that the Pledged Tax Increments are insufficient to pay all amounts otherwise due on the TIF Note on the Final TIF Payment Date, said unpaid amounts shall then cease to be any debt or obligation of the City under the TIF Note. The Parties anticipate that there will be insufficient Pledged Tax Increment to pay the TIF Note in full and that any unpaid amount will be paid through the issuance of the Tax Abatement Note to the extent such funds are available.

(4) The TIF Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Pledged Tax Increments shall be used to pay the principal of the TIF Note.

(5) The Developer further acknowledges that estimates of Tax Increments and Pledged Tax Increments prepared by the City or its financial advisors in connection with the TIF District or this Agreement are for the benefit of the City, and are not intended as representations on which the Developer may rely. The Developer further acknowledges that if development of the Project is delayed or not completed, the effect of such delay or failure to complete may be to reduce the amount of the Tax Increment available to pay the TIF Note.

(6) The City's obligation to make payments on the TIF Note on any TIF Payment Date or any date thereafter shall be conditioned upon the requirement (A) there shall not at that time be a material Event of Default that has occurred and is continuing under this Agreement that has not been cured during the applicable cure period, (B) this Agreement shall not have been terminated pursuant to Section 5.2, and (C) all conditions set forth in Section 3.2(2) have been satisfied as of such date.

(7) The TIF Note shall be governed by and payable pursuant to the additional terms thereof, as actually executed, in substantially the form set forth in **Exhibit C** attached hereto. In the event of any conflict between the terms of the TIF Note and the terms of this Section 3.2, the terms of the TIF Note shall govern. The issuance of the TIF Note is pursuant and subject to the terms of this Agreement.

(8) In accordance with Section 469.1763, Subdivision 3 of the TIF Act, conditions for delivery of the TIF Note must be met within 5 years after the date of certification of the TIF District by the County. If the conditions are not satisfied by such date, the City has no further obligations under this Section 3.2.

Section 3.3 Abatement Assistance.

(1) The City shall reimburse the Developer for Public Development Costs actually incurred and paid in connection with the Project in the principal amount equal to the unpaid balance of the City Financial Assistance after the Final TIF Payment Date as calculated by the City's municipal advisor in their sole discretion (the "Abatement Note Amount") by issuing the Tax Abatement Note to the Developer in the Abatement Note Amount, in substantially the form set forth in **Exhibit D** attached hereto, only when: (A) the Developer has paid all of the City's Administrative Costs required to have been paid as of such date in accordance with Section 3.7 hereof, (B) the TIF District has been decertified in accordance with the TIF Act, (C) the City, in its sole discretion, has determined the final Abatement Note Amount; and (D) the shall

have submitted written proof and other documentation as may be reasonably satisfactory to the City of the exact nature and amount of the Public Development Costs incurred by the Developer in an amount equal to the Abatement Note Amount (collectively, the “Issue Date”). The documentation provided in accordance with Section 3.3(1)(D) shall include specific invoices for the particular work from the contractor or other provider and shall include paid invoices, copies of remittances and/or other suitable documentary proofs of the Developer’s payment thereof. The Tax Abatement Note shall be secured solely by Pledged Tax Abatements. The Tax Abatement Note shall not bear interest.

(2) On each Abatement Payment Date until the Final Abatement Payment Date, the City will pay the Pledged Tax Abatements to the Developer.

(3) Pledged Tax Abatements will be paid in semi-annual installments equal to the Pledged Tax Abatements actually received by the City in the 6-month period before each Abatement Payment Date. Notwithstanding anything to the contrary herein, the payments of Pledged Tax Abatements under this paragraph in each year may not exceed the Statutory Cap described in paragraph (5) of this Section and total payments of principal under the Tax Abatement Note over its term shall not exceed \$3,000,000, which is the maximum amount of Tax Abatements set forth in the Tax Abatement Program. Payments on each Abatement Payment Date shall be subject to the qualification described in Section 3.6 in the case of a pending Tax Appeal (as defined in Section 3.6).

(4) The Developer acknowledges that:

(a) it has not relied on any representations of the City, or any of its officers, agents, or employees, and has not relied on any opinion of any attorney of the City, as to the federal or State income tax consequences relating to the payment of Tax Abatements under this Section.

(b) the City shall in no event be obligated to make any Tax Abatement payment under this Section to the Developer unless and until (i) all ad valorem property taxes due and payable with respect to the Development Property as of the applicable Abatement Payment Date have been paid in full and (ii) the City has received from the County or any other source as provided by law an ad valorem property tax distribution that includes all or any portion of the Pledged Tax Abatements.

(c) all estimates of Tax Abatements that have been prepared by or on behalf of the City have been done for the City’s use only and neither the City nor its consultants shall have liability to the Developer if the actual Tax Abatements are less than the amounts estimated.

(5) The Developer further acknowledges that the total Pledged Tax Abatements attributable to any calendar year (i.e., the combined payments on Abatement Payment Dates of August 1 and the following February 1) may not exceed the greater of \$200,000 or 10% of the City’s Net Tax Capacity for that tax-payable year (the “Statutory Cap”), all pursuant to Section 469.1813, Subdivision 8 of the Tax Abatement Act. The City has previously utilized abatements under the Tax Abatement Act for other projects in the City. The City reasonably expects that the Statutory Cap will not cause the Pledged Tax Abatements under this Agreement to be reduced; however, the Developer acknowledges that, during the term of the tax abatement under this Section, if the total abatements payable by the City under the Tax Abatement Act in any year would exceed the Statutory Cap, the Statutory Cap is allocated first to the City’s existing abatement obligations, second to the Pledged Tax Abatements payable under this Agreement, and third to any other tax abatements granted after the date of this Agreement.

Section 3.4 Land Write Down.

(1) Pursuant to the terms of the Purchase Agreement, the Authority has agreed to sell the Development Property to the Developer pursuant to the quit claim deed attached to the Purchase Agreement (the “Deed”). On the Closing Date, the Authority will forgo receipt of the full fair market value of the Development Property by accepting a reduced purchase price for the Development Property in accordance with the Purchase Agreement. The price that the EDA paid to acquire the Development Property is \$585,000 and the Purchase Agreement provide that the Developer will pay \$1.00 for the Development Property. As such, the financial assistance provided to the Developer by selling them the Development Property at the reduced purchase prices listed above is \$584,499 (the “Land Write Down”).

(2) In the event that the Certificate of Completion is not issued pursuant to Section 4.4 hereof by May 31, 2027, as a direct result of Developer’s material default of its obligations hereunder, the Developer shall pay to the Authority the full amount of the Land Write Down within 30 days of written request of the Authority.

Section 3.5 Business Subsidy Act. The parties agree and understand that the purpose of the City’s and EDA’s financial assistance to the Developer is to facilitate development of rental housing, and is not a “business subsidy” within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

Section 3.6 Real Property Taxes. The Developer shall pay or cause to be paid all real property taxes payable with respect to all and any parts of the Development Property acquired and owned by it and any statutory or contractual duty that shall accrue subsequent to the date of its acquisition of title to the Development Property (or part thereof) and until the Developer’s obligations have been assumed by any other person pursuant to the provisions of this Agreement or title to the property is vested in another person.

The Developer agrees that prior to the Termination Date, so long as it owns the Development Property:

(1) It will not seek administrative review or judicial review of the applicability or constitutionality of any tax statute relating to the taxation of real property contained on the Development Property determined by any tax official to be applicable to the Project or the Developer or raise the inapplicability or constitutionality of any such tax statute as a defense in any proceedings, including delinquent tax proceedings; provided, however, that “tax statute” does not include any local ordinance or resolution levying a tax; and

(2) It will not seek any tax exemption, tax deferral or abatement, either presently or prospectively or any other State or federal law, of the taxation of real property contained in the Development Property between the date of execution of this Agreement and the Termination Date.

(3) The Developer shall notify the City within 10 days of filing any petition to seek a reduction in market value or property taxes on any portion of the Development Property under any State law (referred to as a “Tax Appeal”). If as of any TIF Payment Date or Abatement Payment Date, any Tax Appeal is pending, the City will continue to make payments on the TIF Note or the Tax Abatement Note but only to the extent that the Tax Increments or Tax Abatements, as applicable, relate to property taxes paid with respect to the market value of the Development Property not being challenged as part of the Tax Appeal and the City will withhold the Tax Increments and Tax Abatements related to property taxes paid with respect to the portion of the market value of the Development Property being challenged as part of the Tax Appeal, all as determined by the City in its sole discretion. After the Tax Appeal is fully resolved and the amount of Tax Increments or Tax Abatements, as applicable, attributable to the disputed tax payments is finalized, the City will apply any withheld amount to the payment of the TIF Note or the Abatement Note,

as applicable, to the extent not reduced as a result of the Tax Appeal promptly, but in no event later than 30 days after the final resolution of the Tax Appeal.

Section 3.7 Developer to Pay City and Authority's Fees and Expenses. The Developer will pay all of the reasonable Administrative Costs (as defined below) of the City and the Authority and must pay such costs to the City and the Authority within 30 days after receipt of a written invoice from the City or the Authority describing the amount and nature of the costs to be reimbursed. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the City or the Authority together with staff and consultant (including reasonable legal, financial advisor, etc.) costs of the City or the Authority, all attributable to or incurred in connection with the establishment of the Tax Abatement Program and the TIF District, the drafting and adoption of the TIF Plan, and the review, negotiation and preparation of this Agreement (together with any other agreements entered into between the parties hereto contemporaneously therewith) and the review and approvals of other documents and agreements in connection with the Project, including but not limited to the Purchase Agreement. In addition, certain engineering, environmental advisor, legal, land use, zoning, subdivision and other costs related to the development of the Development Property are required to be paid, or additional funds deposited in escrow, as provided in accordance with the City's planning, zoning, and building fee schedules. The City and the Authority acknowledge that the Developer has deposited \$5,000 with the City toward payment of the Administrative Costs. If such costs exceed such amount, then at any time, but not more often than monthly, the City or the Authority, as applicable, will deliver written notice to Developer setting forth any additional fees and expenses and Developer agrees to pay all fees and expenses within 30 days of the City's or the Authority's, as applicable, written request. Any unused amount of such deposit shall be returned to the Developer. In addition, on the Closing Date, the Developer shall reimburse the City for the \$7,000 Deferred Loan fee it paid to Minnesota Housing.

Section 3.8 Restrictions on Use.

(1) The Developer agrees to operate the Project as rental housing until the Termination Date. The Developer understands and acknowledges that a violation of the above limitations on use constitutes an Event of Default under this Agreement.

(2) The limitation on the allowable uses specified in subsection (1) above is based solely on compliance with the requirements of the TIF Act. In addition, the City's zoning ordinance and other land use regulations restrict the uses permissible in the TIF District and include other limitations on development. The Developer acknowledges and agrees to comply with all such regulations.

Section 3.9 Lookback.

(1) *Generally.* The financial assistance to the Developer under this Agreement is based on certain assumptions regarding likely performance of the Project including operating revenues, expenses and development costs of constructing the Project. The City, the EDA and the Developer agree that the actual financial performance of Project will be reviewed at the times described in this Section, and that the City Financial Assistance will be adjusted accordingly. The Developer shall provide the City and its municipal advisor (the "Consultant") with the Pro Forma Financial Statements showing a targeted average annual Yield on Cost Return of 8.00%.

(2) *Definitions.* For the purposes of this Section, the following terms have the following meanings:

“Calculation Date” means the date that is 90 days after the earlier of (i) the date of Stabilization of the Project; or (ii) 3 years after the date of completion of the Project, as evidenced by the City’s issuance of the Certificate of Completion.

“Yield on Cost Return” means average, over the period starting with the 12-month period preceding the Calculation Date and continuing for each subsequent 12-month period over the remaining term of the TIF Note and Abatement Note, of the ratios of NOI in each such 12-month period divided by actual Total Project Costs, calculated by the Consultant in the manner it determines is consistent with the sample lookback calculation attached as **Exhibit G**.

“Net Operating Income (“NOI”)” means total annual income and other project-derived annual revenue, including payments under the TIF Note and the Abatement Note, less Operating Expenses, and less debt service on Project Financing, all determined in accordance with generally accepted accrual accounting principles (but giving effect to the assumptions set forth in the next sentence). For purposes of the Yield on Cost Return calculation on the Calculation Date, (i) revenue shall be based upon 95% occupancy regardless of whether the average occupancy for the measured period is higher or lower than 95% (consistent with the revenues for the units that are actually leased), (ii) revenue for periods after the Calculation Date shall be determined using revenue from the 12-month period preceding the Calculation Date, inflated by 2.5% annually other than payments under the Abatement Note and TIF Note which shall be inflated by 0% annually, and (iii) Operating Expenses for periods after the Calculation Date, shall be determined using Operating Expenses from the 12-month period preceding the Calculation Date, inflated by 2.5% annually other than real estate taxes which shall be inflated by 0% annually.

“Operating Expenses” means reasonable and customary expenses actually incurred in operating the Project and any other expenses actually incurred by the Developer pursuant to its obligations under this Agreement, determined in the same manner as shown in the Pro Forma Financial Statement, which excludes expenses after debt service, and includes administrative, payroll, marketing, insurance, property management fees, utilities, maintenance, deposits to commercially reasonable capital replacement reserves and payment of real estate taxes, but subject to final review and acceptance by the Consultant.

“Pro Forma Financial Statement” means the Developer’s cash flow pro forma model financial statement for the Project projecting future returns, a summary of which is attached to this Agreement as **Exhibit G**.

“Project Financing” means one or more loans for financing the acquisition, construction and equipping of the Project secured by a first lien mortgage on the Project.

“Stabilization” means the calendar month-end date on which the Project has first achieved an average occupancy of the housing units in the Project of 90% during the preceding 12 calendar months, or such earlier date as may be requested by the Developer but, for purposes of the Yield on Cost Return calculation, assuming 95% occupancy notwithstanding actual occupancy rate as of such date.

“Total Project Cost” means the total expenditures incurred to complete development of the Project inclusive of land acquisition, hard construction costs, soft costs and financing costs.

(3) On the Calculation Dates, the Developer shall deliver to the City and Consultant, at a minimum, (i) the Developer’s actual financial statement, for the trailing 12-month period preceding the Calculation Date, in the same form as the Pro Forma Financial Statement submitted to the City pursuant to clause (1) above and showing NOI, and such other financial information as the Consultant shall require, and (ii) evidence, satisfactory to the City, of its Total Project Cost.

(4) The average annual Yield on Cost Return over the period starting with the 12-month period preceding the Calculation Date and continuing for each subsequent 12-month period over the remaining term of the TIF Note and the Abatement Note shall be calculated by the Consultant based on the Project financial statement submitted to the City pursuant to clause (3) above, (in the manner the Consultant determines is consistent with the sample lookback calculation attached as **Exhibit G** as determined in the sole discretion of the Consultant and approved by the City).

(5) If the Consultant determines that the average annual Yield on Cost Return over the term of the Abatement Note and TIF Note does not exceed 8.00% over the term of the Abatement Note and the TIF Note, the total of the TIF Note and Abatement Note combined will remain set at the amount of the City Financial Assistance.

(6) If the Consultant determines that the average annual Yield on Cost Return over the term of the Abatement Note and TIF Note exceeds 8.00% (to be calculated in a manner comparable to the sample attached as **Exhibit G**), then the principal balance of the TIF Note and the Abatement Note will be reduced by an amount calculated in the manner the Consultant determines is consistent with clause (7) below. The City will first reduce the amount of the Abatement Note and will then reduce the amount of the TIF Note, if necessary.

(7) The Consultant will determine the amount of the reduction of the principal amount of the Abatement Note and the TIF Note, calculated in the manner the Consultant determines is consistent with the sample lookback calculation attached as **Exhibit G**, by:

(a) First, determining the period over which the Abatement Note and TIF Note needs to be outstanding to achieve a 8.00% average annual Yield on Cost Return over the term of the Abatement Note and the TIF Note based on the Consultant's calculation of the average annual Yield on Cost Return.

(b) Second, by determining the present value of actual or projected (with respect to future payments) TIF Note and Abatement Note payments over the life of the Abatement Note and the TIF Note through the year determined in clause (a) using the interest rate on the Abatement Note and TIF Note as the present value discount rate.

(c) Third, by determining the amount equal to 50% of the difference between the original principal amount of the Abatement Note and the TIF Note and the present value number calculated in clause (b).

(d) Finally, the new principal amount of the City Financial Assistance will then be determined by adding the amounts in clauses (b) and (c) and rounding to the nearest \$1,000 (the "Revised City Financial Assistance Amount").

(e) Such Revised City Financial Assistance Amount will be effective upon delivery to the Developer of a written notice stating the Revised City Financial Assistance Amount as determined by the Consultant in accordance with this Section, accompanied by the Consultant's report. The Developer shall, thereupon, deliver the Abatement Note and the TIF Note in exchange for a new Abatement Note and a new TIF Note which combined total the Revised City Financial Assistance Amount. The City shall first reduce the principal amount of the Abatement Note to reflect the Revised City Financial Assistance Amount and then shall reduce the amount of the TIF Note, if necessary.

(8) In addition to the lookback set forth above, at the time of completion of construction of the Project, if the amount of the Total Project Costs actually incurred in connection with the Project is less than the amount of estimated Total Project Costs projected in **Exhibit G**, the financial assistance will be reduced on a dollar for dollar basis in the amount of such deficiency and the principal amount of the Revised City Financial Assistance Amount will be adjusted accordingly which will be reflected in the delivery of a new Abatement Note and/or TIF Note, respectively provided that such reduction is subject to approval and further adjustment by Minnesota Housing in their sole discretion. Likewise, any reduction in the actual amount of Total Project Costs submitted to Minnesota Housing in connection with the Deferred Loan may result in a reduction of the Deferred Loan by Minnesota Housing as determined in their sole discretion.

Section 3.10. IRRR Workforce Grant.

(1) To finance a portion of the construction costs (the “IRRR Workforce Grant-Eligible Costs”) of the Project (the “IRRR Workforce Grant-Eligible Activities”) as described in the State of Minnesota Grant Contract Agreement, dated April 24, 2024, between the City and the State of Minnesota acting through its Commissioner of the IRRR (“IRRR Workforce Grant Agreement”) as set forth in **Exhibit H**, the City has applied for and received a grant from the IRRR in the maximum amount of \$600,000 (the “IRRR Workforce Grant”).

(2) The City will pay or reimburse the Developer for IRRR Workforce Grant-Eligible Costs from and to the extent of proceeds of the IRRR Workforce Grant, in accordance with the terms of the approved and executed Workforce Grant Agreement and the terms of this Section. **Notwithstanding anything to the contrary herein, if Workforce Grant-Eligible Costs exceed the amount to be reimbursed under this Section, such excess shall be the sole responsibility of the Developer (except to the extent reimbursable from the City Financial Assistance).**

(3) When selecting a contractor to perform the IRRR Workforce Grant-Eligible Activities, the Developer shall comply with all requirements of Minnesota Statutes, Section 471.345 (the “Public Bidding Act”), Minnesota Statutes, Section 177.41-44 (the “Prevailing Wage Act”) and Section 4.3 of the Workforce Grant Agreement, as directed by the City. The Developer’s compliance with the Public Bidding Act and Prevailing Wage Act shall be determined by the City and the IRRR in their sole discretion. The Developer shall comply in all respects with the requirements of the Workforce Grant Agreement as if it were the “Grantee” thereunder.

(4) All disbursements from the proceeds of the IRRR Workforce Grant will be made by the City to the Developer subject to the following conditions precedent that on the date of such disbursement:

(a) The City has received a written statement from the Developer’s authorized representative certifying with respect to each payment: (a) that none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under this Section or under Sections 3.2 or 3.3 (or before the date of this Agreement); (b) that each item for which the payment is proposed is a IRRR Workforce Grant-Eligible Cost; and (c) that the Developer reasonably anticipates completion of the IRRR Workforce Grant-Eligible Activities in accordance with the terms of this Agreement and the Workforce Grant Agreement.

(b) No material Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(c) No license or permit necessary for undertaking the IRRR Workforce Grant-Eligible Activities shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

(d) Developer has submitted, and the City has approved, Construction Plans for the Project in accordance with Section 3.5 hereof.

(e) Developer has submitted paid invoices or other comparable evidence satisfactory to the City to demonstrate that the IRRR Workforce Grant-Eligible Cost has been incurred and paid or is payable by the Developer.

(f) All requirements of the Workforce Grant Agreement that are to be performed or complied with by the Developer prior to the date of such disbursement have been materially met or satisfied.

(5) Whenever the Developer desires a disbursement to be made hereunder, which shall be no more often than monthly, the Developer shall submit to the City a draw request in the form approved by the IRRR to the City accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by Developer. Each draw request shall constitute a representation and warranty by the Developer that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request. After submission of the draw request, if the Developer has performed all of its agreements and complied with all requirements to be performed or complied with under the Workforce Grant Agreement and hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the City shall submit such request to the IRRR and make a disbursement to the Developer in the amount of the requested disbursement or such lesser amount as shall be approved, within thirty (30) Business Days after the date of the City's receipt of the draw request, or, if later, upon receipt of grant proceeds from the IRRR. Each disbursement shall be paid solely from the proceeds of the IRRR Workforce Grant, subject to the City's and the IRRR's determination that the relevant IRRR Workforce Grant-Eligible Cost is payable from the IRRR Workforce Grant under the Workforce Grant Agreement. The City has no obligation to provide proceeds of the IRRR Workforce Grant unless and until such funds are disbursed by the IRRR.

(6) The making of the final disbursement by the City under this Section shall be subject to the condition precedent that the Developer shall be in material compliance with all conditions set forth in this Section and further, that the City shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the IRRR Workforce Grant-Eligible Costs.

(7) The Developer will comply with all requirements and conditions of the Workforce Grant Agreement applicable to the Project that, by their nature, must be performed by the Developer rather than the City and that are conditions of award of funds under the Workforce Grant Agreement. Nothing in this Agreement shall be deemed an exception from, or alteration of, the requirements of the Workforce Grant Agreement. The Developer will provide invoices to the City for reimbursement in accordance with the requirements of the Workforce Grant Agreement and of this Agreement. The Developer will take all other actions as are needed to ensure compliance with the Workforce Grant Agreement and provide such information and assistance to the City as may be needed to ensure the City can comply with the requirements of the Workforce Grant Agreement that, by their nature, must be performed by the City rather than the Developer. In the event that the IRRR enforces penalties, damages, or other punitive requirements against the City for non-compliance with the grant terms and conditions, the Subgrantee agrees to hold the City and its respective officers, employees, and agents harmless from any claims resulting from the Developer's non-compliance with the terms and conditions required in this Agreement and the Workforce Grant Agreement. The Developer also assumes any financial responsibilities that arise from grant non-compliance. Neither Developer nor subgrantee shall be liable to the City in the event the IRRR enforces penalties, damages, or

other punitive requirements against the City for non-compliance with the grant terms and conditions as a result of the City's noncompliance of Sections 9 and 10 of the Workforce Grant Agreement as they relate to the City's records, and the City shall hold the Developer and its respective officers, employees, and agents harmless from any claims resulting from the City's non-compliance with such provisions in the Workforce Grant Agreement. The Developer must also comply with Sections 9 and 10 of the Workforce Grant Agreement.

(8) The Developer shall comply in all respects with the Workforce Grant Agreement which is incorporated herein by reference. The Developer acknowledges and agrees that all terms, conditions and obligations contained in the Workforce Grant Agreement are incorporated herein, and made a part of this Agreement. In addition to the terms, conditions and obligations described herein, the Developer further acknowledges, accepts and assumes all of the City's obligations described in the Workforce Grant Agreement, including but not limited to, the obligation to repay the IRRR Workforce Grant if required by the IRRR within 30 days of request from the City.

Section 3.11. Deferred Loan.

(1) To finance a portion of the Qualified Expenditures of a Market Rate Residential Rental Property (the "Deferred Loan-Eligible Costs") both as defined in the Minnesota Housing Finance Agency Deferred Loan Agreement, dated _____, 2024, between the City and Minnesota Housing (the "Deferred Loan Agreement") as set forth in **Exhibit I**, the City has applied for and received a deferred loan from Minnesota Housing in the maximum amount of \$7,964,000 (the "Deferred Loan") for the Project.

(2) The City will pay or reimburse the Developer for Deferred Loan-Eligible Costs from and to the extent of proceeds of the Deferred Loan, in accordance with the terms of the approved and executed Deferred Loan Agreement, the Minnesota Housing Workforce Housing Development Program Guide, as amended (the "Program Guide") and the terms of this Section. **Notwithstanding anything to the contrary herein, if Deferred Loan-Eligible Costs exceed the amount to be reimbursed under this Section, such excess shall be the sole responsibility of the Developer (except to the extent reimbursable from the City Financial Assistance).**

(3) When selecting a contractor, the Developer shall comply with all requirements of the Prevailing Wage Act, the Program Guide, and the Deferred Loan Agreement. The Developer's compliance with the Prevailing Wage Act shall be determined by the City and Minnesota Housing in their sole discretion. The Developer shall comply in all respects with the requirements of the Deferred Loan Agreement and the Program Guide as if it were the "Grantee" thereunder.

(4) All disbursements from the proceeds of the Deferred Loan will be made by the City to the Developer subject to the following conditions precedent that on the date of such disbursement:

(a) The City has received a written statement from the Developer's authorized representative certifying with respect to each payment: (a) that none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under this Section or under Sections 3.2 or 3.3 (or before the date of this Agreement); (b) that each item for which the payment is proposed is a Deferred Loan Eligible-Cost; and (c) that the Developer reasonably anticipates completion of the Project in accordance with the terms of this Agreement and the Deferred Loan Agreement.

(b) No material Event of Default under this Agreement or event which would constitute such a material Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(c) No license or permit necessary for undertaking the Project shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

(d) Developer has submitted, and the City has approved, Construction Plans for the Project in accordance with Section 3.5 hereof.

(e) Developer has submitted paid invoices or other comparable evidence satisfactory to the City to demonstrate that the Deferred Loan-Eligible Cost has been incurred and paid or is payable by the Developer.

(f) All requirements of the Deferred Loan Agreement and the Program Guide that are to be performed or complied with by the Developer prior to the date of such disbursement have been met or satisfied.

(5) Whenever the Developer desires a disbursement to be made hereunder, which shall be at the times set forth in the Deferred Loan Agreement, the Developer shall submit to the City a draw request in the form approved by Minnesota Housing to the City accompanied by all material to supporting such draw request as required by Minnesota Housing. Each draw request shall constitute a representation and warranty by the Developer that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request. After submission of the draw request, if the Developer has performed all of its agreements and complied with all requirements to be performed or complied with under the Deferred Loan Agreement, the Program Guide, and hereunder, the City shall submit such request to Minnesota Housing and make a disbursement to the Developer in the amount of the requested disbursement or such lesser amount as shall be approved, upon receipt of loan proceeds from Minnesota Housing. Each disbursement shall be paid solely from the proceeds of the Deferred Loan, subject to the City's and Minnesota Housing's determination that the relevant Deferred Loan-Eligible Cost is payable from the Deferred Loan under the Deferred Loan Agreement and the Program Guide. The City has no obligation to provide proceeds of the Deferred Loan unless and until such funds are disbursed by the Minnesota Housing. The Developer understands that the amount of the Deferred Loan may be reduced by Minnesota Housing in its sole discretion.

(6) The making of the final disbursement by the City under this Section shall be subject to the condition precedent that the Developer shall be in compliance with all conditions set forth in this Section and further, that the City shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the Deferred Loan-Eligible Costs.

(7) The provisions in the Deferred Loan Agreement regarding Accounting and Records, Audits, Acknowledgements and Signage and Liability will survive termination or cancellation of this Agreement or of the Deferred Loan.

(8) The Developer will materially comply with all requirements and conditions of the Deferred Loan Agreement applicable to the Project that, by their nature, must be performed by the Developer rather than the City and that are conditions of award of funds under the Deferred Loan Agreement. Nothing in this Agreement shall be deemed an exception from, or alteration of, the requirements of the Deferred Loan Agreement. The Developer will provide invoices to the City for reimbursement in accordance with the requirements of the Deferred Loan Agreement and of this Agreement. The Developer will take all other actions as are needed to ensure compliance with the Deferred Loan Agreement and provide such information and assistance to the City as may be needed to ensure the City can comply with the requirements of the Deferred Loan Agreement that, by their nature, must be performed by the City rather than the Developer. In the event that Minnesota Housing enforces penalties, damages, or other punitive requirements against the City for non-compliance with the deferred loan terms and conditions, the Developer agrees to hold the City and its

respective officers, employees, and agents harmless from any claims resulting from the Developer's non-compliance with the terms and conditions required in this Agreement and the Deferred Loan Agreement. The Developer also assumes any financial responsibilities that arise from deferred loan non-compliance. Neither Developer nor subgrantee shall be liable to the City in the event Minnesota Housing enforces penalties, damages, or other punitive requirements against the City for non-compliance with the grant terms and conditions as a result of the City's noncompliance of Section 9 of the Deferred Loan Agreement as they relate to the City's records, and the City shall hold the Developer and its respective officers, employees, and agents harmless from any claims resulting from the City's non-compliance with such provisions in the Deferred Loan Agreement. The Developer must also comply with Section 9 of the Deferred Loan Agreement.

(9) The Developer shall materially comply in all respects with the Deferred Loan Agreement which is incorporated herein by reference. The Developer acknowledges and agrees that all terms, conditions and obligations contained in the Deferred Loan Agreement are incorporated herein, and made a part of this Agreement. In addition to the terms, conditions and obligations described herein, the Developer further acknowledges, accepts and assumes all of the City's obligations described in the Deferred Loan Agreement, including but not limited to, the obligation to repay the Deferred Loan if required by Minnesota Housing within 30 days of request from the City.

Section 3.12. IRRR Predevelopment Grant.

(1) To finance a portion of the site ready predevelopment work including soil borings, phase 1 environmental reports, market study, pre-design, preconstruction, and other work necessary to better understand the site development costs and prepare the site for housing development construction (the "IRRR Predevelopment Grant-Eligible Costs") of the Project (the "IRRR Predevelopment Grant-Eligible Activities") as described in the State of Minnesota Grant Contract Agreement, dated October 16, 2023, between the City and the State of Minnesota acting through its Commissioner of the IRRR ("IRRR Predevelopment Grant Agreement") as set forth in **Exhibit J**, the City has applied for and received a grant from the IRRR in the maximum amount of \$200,000 (the "IRRR Predevelopment Grant").

(2) The City will pay or reimburse the Developer for IRRR Predevelopment Grant-Eligible Costs from and to the extent of proceeds of the IRRR Predevelopment Grant, in accordance with the terms of the approved and executed Predevelopment Grant Agreement and the terms of this Section. **Notwithstanding anything to the contrary herein, if IRRR Predevelopment Grant-Eligible Costs exceed the amount to be reimbursed under this Section, such excess shall be the sole responsibility of the Developer (except to the extent reimbursable from the City Financial Assistance).**

(3) When selecting a contractor to perform the IRRR Predevelopment Grant-Eligible Activities, the Developer shall comply with all requirements of the Public Bidding Act, the Prevailing Wage Act, and Section 4.3 of the Predevelopment Grant Agreement, as directed by the City. The Developer's compliance with the Public Bidding Act and Prevailing Wage Act shall be determined by the City and the IRRR in their sole discretion. The Developer shall comply in all respects with the requirements of the Predevelopment Grant Agreement as if it were the "Grantee" thereunder.

(4) All disbursements from the proceeds of the IRRR Predevelopment Grant will be made by the City to the Developer subject to the following conditions precedent that on the date of such disbursement:

(a) The City has received a written statement from the Developer's authorized representative certifying with respect to each payment: (a) that none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under this Section or under Sections 3.2 or 3.3 (or before the date of this Agreement); (b) that each item for which the

payment is proposed is a IRRR Predevelopment Grant-Eligible Cost; and (c) that the Developer reasonably anticipates completion of the IRRR Predevelopment Grant-Eligible Activities in accordance with the terms of this Agreement and the Predevelopment Grant Agreement.

(b) No material Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(c) No license or permit necessary for undertaking the IRRR Predevelopment Grant-Eligible Activities shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

(d) Developer has submitted, and the City has approved, Construction Plans for the Project in accordance with Section 3.5 hereof.

(e) Developer has submitted paid invoices or other comparable evidence satisfactory to the City to demonstrate that the IRRR Predevelopment Grant-Eligible Cost has been incurred and paid or is payable by the Developer.

(f) All requirements of the Predevelopment Grant Agreement that are to be performed or complied with by the Developer prior to the date of such disbursement have been met or satisfied.

(5) Whenever the Developer desires a disbursement to be made hereunder, which shall be no more often than monthly, the Developer shall submit to the City a draw request in the form approved by the IRRR to the City accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by Developer. Each draw request shall constitute a representation and warranty by the Developer that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request. After submission of the draw request, if the Developer has performed all of its agreements and complied with all requirements to be performed or complied with under the Predevelopment Grant Agreement and hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the City shall submit such request to the IRRR and make a disbursement to the Developer in the amount of the requested disbursement or such lesser amount as shall be approved, within thirty (30) Business Days after the date of the City's receipt of the draw request, or, if later, upon receipt of grant proceeds from the IRRR. Each disbursement shall be paid solely from the proceeds of the IRRR Predevelopment Grant, subject to the City's and the IRRR's determination that the relevant IRRR Predevelopment Grant-Eligible Cost is payable from the IRRR Predevelopment Grant under the Predevelopment Grant Agreement. The City has no obligation to provide proceeds of the IRRR Predevelopment Grant unless and until such funds are disbursed by the IRRR.

(6) The making of the final disbursement by the City under this Section shall be subject to the condition precedent that the Developer shall be in compliance with all conditions set forth in this Section and further, that the City shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the IRRR Predevelopment Grant-Eligible Costs.

(7) The Developer will materially comply with all requirements and conditions of the Predevelopment Grant Agreement applicable to the Project that, by their nature, must be performed by the Developer rather than the City and that are conditions of award of funds under the Predevelopment Grant Agreement. Nothing in this Agreement shall be deemed an exception from, or alteration of, the requirements of the Predevelopment Grant Agreement. The Developer will provide invoices to the City for reimbursement in accordance with the requirements of the Predevelopment Grant Agreement and of this Agreement. The Developer will take all other actions as are needed to ensure compliance with the Predevelopment Grant Agreement and provide such information and assistance to the City as may be needed to ensure the City can

comply with the requirements of the Predevelopment Grant Agreement that, by their nature, must be performed by the City rather than the Developer. In the event that the IRRR enforces penalties, damages, or other punitive requirements against the City for non-compliance with the grant terms and conditions, the Subgrantee agrees to hold the City and its respective officers, employees, and agents harmless from any claims resulting from the Developer's non-compliance with the terms and conditions required in this Agreement and the Predevelopment Grant Agreement. The Developer also assumes any financial responsibilities that arise from grant non-compliance. Neither Developer nor subgrantee shall be liable to the City in the event the IRRR enforces penalties, damages, or other punitive requirements against the City for non-compliance with the grant terms and conditions as a result of the City's noncompliance of Sections 9 and 10 of the Predevelopment Grant Agreement as they relate to the City's records, and the City shall hold the Developer and its respective officers, employees, and agents harmless from any claims resulting from the City's non-compliance with such provisions in the Predevelopment Grant Agreement. The Developer must also comply with Sections 9 and 10 of the Predevelopment Grant Agreement.

(8) The Developer shall materially comply in all respects with the Predevelopment Grant Agreement which is incorporated herein by reference. The Developer acknowledges and agrees that all terms, conditions and obligations contained in the Predevelopment Grant Agreement are incorporated herein, and made a part of this Agreement. In addition to the terms, conditions and obligations described herein, the Developer further acknowledges, accepts and assumes all of the City's obligations described in the Predevelopment Grant Agreement, including but not limited to, the obligation to repay the IRRR Predevelopment Grant if required by the IRRR within 30 days of request from the City.

ARTICLE IV

ADDITIONAL PROJECT COVENANTS

Section 4.1 Construction Plans.

(1) Prior to the commencement of construction of the Project, the Developer will deliver to the City the Construction Plans, Construction Documents and a sworn construction cost statement certified by the Developer and the General Contractor (the “Sworn Construction Cost Statement”) all in form and substance reasonably acceptable to the City. The Construction Plans for the Project shall be consistent with the Development Program, this Agreement, and all applicable State and local laws and regulations and any site plan or design drawings previously submitted to the City. The City’s building official and the City Administrator of the City on behalf of the City shall promptly review any Construction Plans upon submission and deliver to the Developer a written statement approving the Construction Plans or a written statement rejecting the Construction Plans and specifying in reasonable detail the deficiencies in the Construction Plans. Approval of the Construction Plans may be withheld unless: (i) the Construction Plans substantially conform to the terms and conditions of this Agreement; (ii) the Construction Plans are consistent with the goals and objectives of the Development Program, the TIF Plan and the Tax Abatement Program; (iii) the Construction Plans comply with any site plan or design drawings previously submitted to the City; and (iv) the Construction Plans do not violate any applicable federal, State or local laws, ordinances, rules or regulations. If the Construction Plans are not approved by the City, then the Developer shall make such changes as the City may reasonably require and resubmit revised Construction Plans to the City for approval. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City. The City’s approval shall not be unreasonably withheld or conditioned. Said approval.

(2) No changes shall be made to the Construction Plans for the Project without the City’s prior written approval, unless the aggregate of such changes does not increase or decrease the total costs of the Project by more than 10%. No changes which materially alter (a) the Project’s site plan, (b) exterior appearance, (c) construction quality, or (d) exterior materials included in the final Design Drawings and Construction Plans shall be made without the City’s prior written consent. The approval of the City will not be unreasonably withheld, conditioned or delayed.

(3) The approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City does not constitute a representation or warranty by the City that the Construction Plans or the Project comply with any applicable building code, health or safety regulation, zoning regulation, environmental law or other law or regulation, or that the Project will meet the qualifications for issuance of a certificate of occupancy, or that the Project will meet the requirements of the Developer or any other users of the Project. Approval of the Construction Plans, or any proposed amendment to the Construction Plans, by the City will not constitute a waiver of an Event of Default or of any State or City building or other code requirements that may apply. Nothing in this Agreement shall be construed to relieve the Developer of its obligations to receive any required approval of the Construction Plans from any City department and does not relieve the Developer of the obligation to comply with applicable federal, State and local laws, ordinances, rules and regulations, or to construct the Project in accordance therewith.

Section 4.2 Compliance with Environmental Requirements.

(1) The Developer shall comply with all applicable local, state, and federal environmental laws and regulations, and will obtain, and maintain compliance under, any and all necessary environmental permits, licenses, approvals or reviews.

(2) The City makes no warranties or representations regarding, nor does it indemnify the Developer with respect to, the existence or nonexistence on or in the vicinity of the Development Property or anywhere within the TIF District of any toxic or hazardous substances or wastes, pollutants or contaminants (including, without limitation, asbestos, urea formaldehyde, the group of organic compounds known as polychlorinated biphenyls, petroleum products including gasoline, fuel oil, crude oil and various constituents of such products, or any hazardous substance as defined in the Comprehensive Environmental Response, Compensation and Liability Act of 1980 (“CERCLA”), 42 U.S.C. §§ 961-9657, as amended) (collectively, the “Hazardous Substances”).

(3) The Developer agrees to take all necessary action to remove or remediate any Hazardous Substances located on the Development Property to the extent required by and in accordance with all applicable local, state and federal environmental laws and regulations.

(4) The Developer waives any claims against the City and the County, for indemnification, contribution, reimbursement or other payments arising under federal and state law and the common law or relating to the environmental condition of the land comprising the Development Property.

Section 4.3 Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer will commence construction of the Project by August 1, 2025 or and shall substantially complete construction of the Project by April 30, 2027. Notwithstanding the foregoing, failure of the Developer to commence construction or substantially complete the Project shall not be an Event of Default hereunder unless the Developer fails to commence construction of the Project by September 1, 2025 or fails to obtain a certificate of occupancy for the Project by May 31, 2027. The Project will be constructed by the Developer on the Development Property in conformity with the Construction Plans approved by the City. Prior to completion, upon the prior written request of the City, and subject to applicable safety rules, the Developer will provide the City reasonable access to the Development Property. “Reasonable access” means at least one site inspection per week during regular business hours. During construction, marketing and rentals of the Project, the Developer will deliver progress reports to the City from time to time as reasonably requested by the City.

Section 4.4 Certificate of Completion. The Developer shall notify the City when construction of the Project has been substantially completed. The City shall, within 30 days after such notification, inspect the Project in order to determine whether the Project has been constructed in substantial conformity with the approved Construction Plans. If the City determines that the Project has not been constructed in substantial conformity with the approved Construction Plans, the City shall deliver a written statement to the Developer indicating in adequate detail the specific respects in which the Project has not been constructed in substantial conformity with the approved Construction Plans and Developer shall have a reasonable period of time to remedy such deficiencies. The City shall re-inspect the Project within a reasonable period of time after receiving notice that such deficiencies have been remedied in order to determine whether the Project has been constructed in substantial conformity with the approved Construction Plans and this Agreement. Within a reasonable period of time after determining that the Project has been constructed in substantial conformity with the approved Construction Plans and determining that the following conditions precedent have been satisfied, the City will furnish to the Developer a Certificate of Completion substantially in the form set forth in **Exhibit E** attached hereto certifying the completion of the Project:

- (1) There shall exist no uncured Event of Default hereunder;
- (2) The City shall have issued a Certificate of Occupancy for the Project;

(3) The City Administrator, or designee, on behalf of the City shall have reasonably determined that the Project has been substantially completed and constructed in accordance with all local, state and federal laws and regulations (including without limitation environmental, zoning, building code, housing code, and public health laws and regulations), and any applicable permits and in substantial conformity with this Agreement and the final construction plans approved by the City in connection with issuing construction permits, each as applicable;

(4) The Developer shall certify to the City that all costs related to the Project and the development of the Development Property, including without limitation, payments to all contractors, subcontractors, and project laborers, have been paid prior to the date of the request to the City.

(5) The Certificate of Completion issued for the Project shall conclusively satisfy and terminate the agreements and covenants of the Developer in this Agreement solely with respect to construction of the Project. The issuance of a Certificate of Completion under this Agreement shall not be construed to relieve the Developer of any inspection or approval required by any City department in connection with the construction, completion or occupancy of the Project nor shall it relieve the Developer of any other obligations under this Agreement.

Section 4.5 Additional Responsibilities of the Developer.

(1) The Developer will provide and maintain or cause to be maintained at all times and, from time to time at the request the City or the Authority, furnish the City or the Authority, as applicable, with proof of payment of premiums on insurance of amounts and coverages normally held by owners of property similar to the Project.

(2) The Developer will construct, operate and maintain, or cause to be operated and maintained, the Project substantially in accordance with the terms of this Agreement, the Development Program and all local, state, and federal laws and regulations including, but not limited to zoning, building code, public health laws and regulations, except for approved variances necessary to construct the Project contemplated in the Construction Plans approved by the City.

(3) The Developer will not construct any building or other structures on, over, or within the boundary lines of any public utility easement unless such construction is provided for in such easement or has been approved by the utility involved.

(4) The Developer, at its own expense, will replace any public facilities and public utilities damaged during the construction of the Project, in accordance with the technical specifications, standards and practices of the owner thereof.

(5) The Developer at all times prior to the termination of this Agreement will operate and maintain, preserve and keep the Project or cause the Project to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in commercially reasonable good repair and condition.

(6) In the event of damage or destruction of the Project during the term of this Agreement, the Developer shall repair or rebuild the Project or cause the Project to be repaired or rebuilt.

Section 4.6 Right to Collect Delinquent Taxes. The Developer acknowledges that the City and the Authority are providing substantial aid and assistance in furtherance of the Project through reimbursement of the Public Development Costs with Pledged Tax Increments, Pledged Tax Abatements and the Land Write Down. The Developer understands that the Pledged Tax Increments and the Pledged Tax Abatements are derived from real estate taxes on the Development Property, which taxes must be

promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement, to pay before delinquency all real estate taxes assessed against the Development Property and the Project. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns, to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 4.7 Prohibition Against Transfer and Assignment. The Developer represents and agrees that prior to the Termination Date, the Developer shall not transfer this Agreement, the TIF Note, the Tax Abatement Note, the Development Property or the Project or any part thereof or any interest therein, without written notice to the City and the Authority and without the prior written approval of both the City and the Authority. Notwithstanding the foregoing, in no event shall the Developer transfer the Project prior to 4 years from the date hereof. The City and the Authority shall be entitled to require as conditions to any such approval that:

(1) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City and the Authority, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer.

(2) Any proposed transferee, by instrument in writing satisfactory to the City and the Authority shall, for itself and its successors and assigns, and expressly for the benefit of the City and the Authority, have expressly assumed all of the obligations of the Developer under this Agreement and agreed to be subject to all the conditions and restrictions to which the Developer is subject.

(3) There shall be submitted to the City and the Authority for review and prior written approval all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Project.

(4) Any proposed transferee of the Tax Abatement Note shall execute and deliver to the City an acknowledgment regarding the limitations of the Tax Abatement Note in a form satisfactory to the City.

(5) Any proposed transferee of the TIF Note shall execute and deliver to the City an acknowledgment regarding the limitations of the TIF Note in a form satisfactory to the City.

(6) There shall be submitted to the City for review all instruments and other legal documents involved in effecting transfer, and if approved by the City, its approval shall be indicated to the Developer in writing.

(7) The Developer shall have paid all reasonable legal fees and expenses of the City and the Authority, including fees of the City Attorney's office and outside counsel retained by the City and the Authority to review the documents submitted to the City and the Authority in connection with any transfer.

Section 4.9 Records. The City and the Authority, through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Developer relating to the Project. Such records shall be kept and maintained by Developer through the Termination Date

Section 4.10. Encumbrance of the Development Property. Until the issuance of a Certificate of Completion, without the prior written consent of the City and the County, which will not be unreasonably withheld or delayed, neither the Developer nor any successor in interest to the Developer will engage in

any financing or any other transaction creating any mortgage or other encumbrance or lien upon the Development Property, or portion thereof, whether by express agreement or operation of law, or suffer any encumbrance or lien to be made on or attach to the Development Property except for the purpose of obtaining funds only to the extent necessary for financing or refinancing the acquisition, construction and operation of the Project (including, but not limited to, land and building acquisition, labor and materials, professional fees, development fees, real estate taxes, reasonably required reserves, construction interest, organization and other direct and indirect costs of development and financing, costs of constructing the Project, and an allowance for contingencies) including without limitation land use restriction agreements in connection with such financings.

ARTICLE V

EVENTS OF DEFAULT

Section 5.1 Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean whenever it is used in this Agreement any one or more of the following events:

(1) Failure by the Developer to timely pay any ad valorem real property taxes, special assessments, utility charges or other governmental impositions with respect to the Project or the Development Property.

(2) Subject to Unavoidable Delays, failure by the Developer to commence construction of the Project by September 1, 2025, and to proceed with due diligence to substantially complete the construction of the Project pursuant to the terms, conditions and limitations of this Agreement and obtain a certificate of occupancy from the City by May 31, 2027.

(3) Failure of the Developer to observe or perform any other covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement.

(4) Sale of the Development Property or the Project, or any portion thereof, by the Developer in violation and without written permission by the City except pursuant to Section 4.8 of this Agreement;

(5) If the Developer shall:

(a) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act of 1978, as amended or under any similar federal or state law; or

(b) make an assignment for the benefit of its creditors; or

(c) admit in writing its inability to pay its debts generally as they become due; or

(d) be adjudicated as bankrupt or insolvent; or if a petition or answer proposing the adjudication of the Developer, as a bankrupt or its reorganization under any present or future federal bankruptcy act or any similar federal or state law shall be filed in any court and such petition or answer shall not be discharged or denied within 60 days after the filing thereof; or a receiver, trustee or liquidator of the Developer, or of the Project, or part thereof, shall be appointed in any proceeding brought against the Developer, and shall not be discharged within 60 days after such appointment, or if the Developer, shall consent to or acquiesce in such appointment.

Section 5.2 Remedies on Default. Whenever any Event of Default referred to in Section 5.1 occurs and is continuing, the City and the Authority may take any one or more of the following actions after the giving of written notice to the Developer citing with specificity the item or items of default and notifying the Developer that it has 30 days within which to cure said Event of Default. If the Event of Default has not been cured within said 30 days or a reasonable period of time, not exceeding 90 days, then:

(1) The City and the Authority may suspend its performance under this Agreement until they receive written assurances from the Developer, deemed adequate by the City and the Authority, that the Developer will cure its default and continue its performance under this Agreement.

(2) The City may suspend its performance under the TIF Note and the Tax Abatement Note until it receives written assurances from the Developer, deemed adequate by the City, that the Developer will cure its default, for the benefit of the Developer while performance is suspended in accordance with this Section 5.2.

(3) The City and the Authority may terminate this Agreement.

(4) The City may terminate the TIF Note, and/or the Tax Abatement Note.

(5) The Authority may demand the Land Write Down be repaid in part or in full.

(6) If the Event of Default constitutes a breach of the condition subsequent as set forth in Exhibit A attached to the Deed transferring the Development Property to the Developer, the Authority may exercise its Right of Re-entry (as defined in the Purchase Agreement).

(7) The City and the Authority may take any action, including legal or administrative action, in law or equity, which may appear necessary or desirable to enforce performance and observance of any obligation, agreement, or covenant of the Developer under this Agreement.

Section 5.3 No Remedy Exclusive. No remedy herein conferred upon or reserved to the City and the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient.

Section 5.4 No Implied Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by any other party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 5.5 Indemnification of the City and the Authority.

(1) The Developer releases from and covenants and agrees that the City, the Authority and their governing body members, officers, agents, including the independent contractors, consultants and legal counsel, servants and employees thereof (hereinafter, for purposes of this Section, collectively the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Project or any other loss, cost expense, or penalty.

(2) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the Indemnified Parties harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from the actions or inactions of the Developer (or if other persons acting on its behalf or under its direction or control) under this Agreement, or the transactions contemplated hereby or the Developer's acquisition, construction, installation, ownership and operation of the Project.

(3) All covenants, stipulations, promises, agreements and obligations of the City and the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and

obligations of the City and the Authority, as applicable, and not of any governing body member, officer, agent, servant or employee of the City or the Authority, as the case may be.

Section 5.6 Reimbursement of Attorneys' Fees. If the Developer shall materially default under any of the provisions of this Agreement, and the City or the Authority shall employ attorneys or incur other reasonable expenses for the collection of payments due hereunder, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer contained in this Agreement, the Developer will within 30 days reimburse the City and the Authority, as applicable, for the reasonable fees of such attorneys and such other reasonable expenses actually incurred by the City and/or the Authority.

ARTICLE VI

ADDITIONAL PROVISIONS

Section 6.1 Insurance.

(1) The Developer will provide and maintain at all times during the process of constructing the Project an All-Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

(a) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to 100% of the aggregate principal amount of the Tax Abatement Notes, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interests of the City shall be protected in accordance with a clause in form and content satisfactory to the City;

(b) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) together with an Owner's Protective Liability Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used). The City shall be listed as additional insured parties on the policy; and

(c) Workers' compensation insurance, with statutory coverage, provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(2) Upon completion of construction of the Project and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the City shall furnish proof of the payment of premiums on, insurance as follows:

(a) Insurance against loss and/or damage to the Project under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(b) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000, and shall be endorsed to show the City as an additional insured.

(c) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(d) All insurance required in this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City, policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving

written notice to the Developer, the City at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Project.

(e) The Developer agrees to notify the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Project or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct, and restore the Project to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction, and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

(1) The Developer shall complete the repair, reconstruction and restoration of the Project regardless of whether the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction, and restoration shall be the property of the Developer.

(2) A failure to promptly repair, reconstruct and restore the Project as required by this Section 6.1(e) will be considered an Event of Default under this Agreement and the City may suspend payments on the City Tax Abatement Note or the TIIF Note, as applicable, or exercise any other remedies provided in Section 5.2 hereof.

All of the insurance provisions set forth in this Section shall terminate upon the termination of this Agreement.

Section 6.2 Conflicts of Interest. No member of the governing body or other official of the City or the Authority shall have any financial interest, direct or indirect, in this Agreement, the Development Property or the Project, or any contract, agreement or other transaction contemplated to occur or be undertaken thereunder or with respect thereto, nor shall any such member of the governing body or other official participate in any decision relating to the Agreement which affects his or her personal interests or the interests of any corporation, partnership or association in which he or she is directly or indirectly interested. No member, official or employee of the City or the Authority shall be personally liable to the City or the Authority in the event of any default or breach by the Developer or successor of any obligations under the terms of this Agreement.

Section 6.3 Titles of Articles and Sections. Any titles of the several parts, articles and sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 6.4 Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand or other communication under this Agreement by any party to any other shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, and

(a) in the case of the Developer is addressed to or delivered personally to:

- (b) in the case of the City is addressed to or delivered personally to the City at:

City of Grand Rapids, Minnesota
420 North Pokegama Avenue
Grand Rapids, MN 55744
Attn: City Administrator

- (c) in the case of the Authority is addressed to or delivered personally to the Authority

at:

Grand Rapids Economic Development Authority
420 North Pokegama Avenue
Grand Rapids, MN 55744
Attn: Executive Director

or at such other address with respect to any such party as that party may, from time to time, designate in writing and forward to the other, as provided in this Section.

Section 6.5 No Additional Waiver Implied by One Waiver. If any agreement contained in this Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 6.6 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 6.7 Law Governing. This Agreement will be governed and construed in accordance with the laws of the State.

Section 6.8 Term; Termination. Unless this Agreement is terminated earlier in accordance with its terms this Agreement shall terminate on the Termination Date. Early termination upon a written request from the Developer shall be in the City and the Authority's sole discretion. After the Termination Date, if requested by the Developer, the City and the Authority will provide a termination certificate as to the Developer's obligations hereunder.

Section 6.9 Provisions Surviving Rescission, Expiration or Termination. Sections 5.5 and 5.6 shall survive any rescission, termination or expiration of this Agreement with respect to or arising out of any event, occurrence or circumstance existing prior to the date thereof.

Section 6.10 Amendment. This Agreement may be amended only by written agreement approved by the City, the Authority and the Developer.

Section 6.11 Superseding Effect. This Agreement, together with the Purchase Agreement, reflects the entire agreement of the parties with respect to the development of the Development Property, and supersedes in all respects all prior agreements of the parties, whether written or otherwise, with respect to the development of the Development Property.

Section 6.12 Relationship of Parties. Nothing in this Agreement is intended, or shall be construed, to create a partnership or joint venture among or between the parties hereto, and the rights and remedies of the parties hereto shall be strictly as set forth in this Agreement. All covenants, stipulations, promises, agreements and obligations of the City and the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the City and the Authority, as applicable, and not of any governing body member, officer, agent, servant or employee of the City or the Authority.

Section 6.13 Venue. All matters, whether sounding in tort or in contract, relating to the validity, construction, performance, or enforcement of this Agreement shall be controlled by and determined in accordance with the laws of the State of Minnesota, and the Developer agrees that all legal actions initiated by the Developer, the City, or the Authority with respect to or arising from any provision contained in this Agreement shall be initiated, filed and venued exclusively in the State of Minnesota, Itasca County, District Court and shall not be removed therefrom to any other federal or state court.

Section 6.14 Interpretation; Concurrence. The language in this Agreement shall be construed simply according to its generally understood meaning, and not strictly for or against any party and no interpretation shall be affected by which party drafted any part of this Agreement. By executing this Agreement, the parties acknowledge that they (a) enter into and execute this Agreement knowingly, voluntarily and willingly of their own volition with such consultation with legal counsel as they deem appropriate; (b) have had a sufficient amount of time to consider this Agreement's terms and conditions, and to consult an attorney before signing this Agreement; (c) have read this Agreement, understand all of its terms, appreciate the significance of those terms and have made the decision to accept them as stated herein; and (d) have not relied upon any representation or statement not set forth herein.

Section 6.15 Recording. The City may record this Agreement and any amendments thereto with the County recorder. The Developer shall pay all costs for recording.

Section 6.16 Government Data. The Developer has been required to provide certain data to the City, the Authority or their consultants in connection with applying for financial assistance in constructing the Project. It is also likely that the Developer will be required to provide additional data to the City or consultants in the course of administering the TIF District and Abatement Program to ensure compliance with this Agreement, the Abatement Act, and the TIF Act. All data provided to the City, the Authority or their consultants is government data within the meaning of the Minnesota Statutes, Chapter 13 (the "MGDPA"). The parties recognize that some of the data provided by the Developer to the City, the Authority or their consultants may be nonpublic data as defined by the MGDPA. The parties acknowledge that the City and the Authority are subject to the MGDPA and will handle all government data in its possession in accordance with the MGDPA, notwithstanding any other agreement or understanding to the contrary.

IN WITNESS WHEREOF, the City has caused this Agreement to be duly executed in its name and on its behalf, the Authority has caused this Agreement to be duly executed in its name and on its behalf, and the Developer has caused this Agreement to be duly executed in its name and on its behalf, on or as of the date first above written.

CITY OF GRAND RAPIDS, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____ the Mayor of the City of Grand Rapids, Minnesota (the "City"), a municipal corporation and political subdivision, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the City Administrator of the City of Grand Rapids, Minnesota (the "City"), a municipal corporation and political subdivision, on behalf of the City.

Notary Public

Signature page to Development Assistance Agreement

**GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY**

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by S_____, the President of the Grand Rapids Economic Development Authority Minnesota (the “Authority”), a body corporate and politic, on behalf of the Authority.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the Executive Director of the Grand Rapids Economic Development Authority Minnesota (the “Authority”), a body corporate and politic, on behalf of the Authority.

Notary Public

Signature page to Development Assistance Agreement

KTJ 435, LLC

By _____
Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2025, by _____, the _____ of KTJ 435, LLC, a Minnesota limited liability company, on behalf of the corporation.

Notary Public

EXHIBIT A

Description of TIF District

The area encompassed by the TIF District shall also include all street or utility rights-of-way located upon or adjacent to the property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

Lot 1, Block 1, Great River Acres, Itasca County, Minnesota.

EXHIBIT B

Description of Development Property

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

B-1

EXHIBIT C

Form of TIF Note

No. R-1

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

TAXABLE TAX INCREMENT REVENUE NOTE
(OPPIDAN WORKFORCE HOUSING PROJECT)

<u>Rate</u>	<u>Date of Issuance</u>	<u>Principal Amount</u>
None	_____, 20__	\$ _____

The City of Grand Rapids, Minnesota (the “City”), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the “Payment Amounts”) subject to adjustment in accordance with Section 3.9 of the Agreement (as hereinafter defined) to KTJ 435, LLC, a Minnesota limited liability company (the “Developer”), or its registered assigns (the “Registered Owner”), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

This Note is issued pursuant to that certain Development Assistance Agreement, dated as of _____, 2025, as the same may be amended from time to time (the “Agreement”), by and between the City, the Grand Rapids Economic Development Authority, and the Developer. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

No interest shall accrue on the TIF Note.

The amounts due under this Note shall be payable on each February 1 and August 1 commencing August 1, 2027 and thereafter to and including the Final TIF Payment Date (as defined in the Agreement) (collectively, the “TIF Payment Dates”). On each TIF Payment Date, the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last Business Day preceding such TIF Payment Date an amount equal to 90% of the Tax Increments as defined in the Agreement received by the City during the 6-month period preceding such TIF Payment Date (the “Pledged Tax Increments”).

Payments on this Note shall be payable solely from the Pledged Tax Increments.

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

The City makes no representation or covenant, express or implied, that the Pledged Tax Increments will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. There are risk factors in the amount of Tax Increments that may actually be received by the

City and some of those factors are listed on the attached Exhibit 1. The Registered Owner acknowledges these risk factors and understands and agrees that payments by the City under this Note are subject to these and other factors.

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

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

The Registered Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration thereof or otherwise.

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

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

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

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

By _____
Its Mayor

By _____
Its City Administrator

CERTIFICATION OF REGISTRATION

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

NAME AND ADDRESS OF
REGISTERED OWNER

DATE OF
REGISTRATION

SIGNATURE OF
FINANCE DIRECTOR

KTJ 435, LLC
P.O. Box 280
Grand Rapids, MN 55744

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Exhibit 1
To Taxable TIF Note**

RISK FACTORS

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

1. Value of Project. If the contemplated Project (as defined in the TIF Agreement) constructed in the tax increment financing district is completed at a lesser level of value than originally contemplated, it will generate fewer taxes and fewer tax increments than originally contemplated.
2. Damage or Destruction. If the Project is damaged or destroyed after completion, its value will be reduced, and taxes and tax increments will be reduced. Repair, restoration or replacement of the Project may not occur, may occur after only a substantial time delay, or may involve property with a lower value than the Project, all of which would reduce taxes and tax increments.
3. Change in Use to Tax-Exempt. The Project could be acquired by a party that devotes it to a use which causes the property to be exempt from real property taxation. Taxes and tax increments would then cease.
4. Depreciation. The Project could decline in value due to changes in the market for such property or due to the decline in the physical condition of the property. Lower market valuation will lead to lower taxes and lower tax increments.
5. Non-payment of Taxes. If the property owner does not pay property taxes, either in whole or in part, the lack of taxes received will cause a lack of tax increments. The Minnesota system of collecting delinquent property taxes is a lengthy one that could result in substantial delays in the receipt of taxes and tax increments, and there is no assurance that the full amount of delinquent taxes would be collected. Amounts distributed to taxing jurisdictions upon a sale following a tax forfeiture of the property are not tax increments.
6. Reductions in Taxes Levied. If property taxes are reduced due to decreased municipal levies, taxes and tax increments will be reduced. Reasons for such reduction could include lower local expenditures or changes in state aids to municipalities. For instance, in 2001 the Minnesota Legislature enacted an education funding reform that involved the state increasing school aid in lieu of the local general education levy (a component of school district tax levies).
7. Reductions in Tax Capacity Rates. The taxable value of real property is determined by multiplying the market value of the property by a tax capacity rate. Tax capacity rates vary by certain categories of property; for example, the tax capacity rates for residential homesteads are currently less than the tax capacity rates for commercial and industrial property. In 2001 the Minnesota Legislature enacted property tax reform that lowered various tax capacity rates to “compress” the difference between the tax capacity rates applicable to residential homestead properties and commercial and industrial properties.
8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is distributed by Hennepin County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

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

Exhibit 2
To Taxable TIF Note

ACKNOWLEDGMENT REGARDING TIF NOTE

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

A. On the date hereof the Note Holder has [acquired from]/[made a loan (the “Loan”) [to/for the benefit] of] KTJ 435, LLC, a Minnesota limited liability company (the “Developer”), [secured in part by] the Taxable Tax Increment Revenue Note (Oppidan Predevelopment Housing Project), a pay-as-you-go tax increment revenue note in the original principal amount of \$_____, dated _____, 20__ of the City of Grand Rapids, Minnesota (the “City”), a copy of which is attached hereto (the “Note”).

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

C. The Note Holder represents and warrants that:

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

2. The Note Holder is (i) the owner of the Development Property or (ii) a financial institution or an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, and as further described in **Exhibit 1A** hereto and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring [and holding the Note] [an interest in the Note as collateral for the Loan].

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

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

D. The Note Holder understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the City. The Note Holder acknowledges that the City has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be sufficient to pay, in whole or in part, the principal due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if the Note had ceased to be an obligation of the City. The Note Holder understands that the Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal on the Note.

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

1. Value of Improvements. If the contemplated Improvements constructed in the tax increment financing district are completed at a lesser level of value than originally contemplated, they will generate fewer taxes and fewer tax increments than originally contemplated.

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

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

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

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

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

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

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is

distributed by Itasca County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

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

F. The Note Holder acknowledges that the Note was issued pursuant to a Development Assistance Agreement between the City, the Grand Rapids Economic Development Authority, and the Developer, dated _____, 2025 (“Development Agreement”), and that the City has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the Development Agreement.

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

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

Note Holder:

By _____
Name: _____
Its _____

EXHIBIT D

FORM OF TAX ABATEMENT NOTE

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

No. R-1

\$ _____

**TAXABLE ABATEMENT REVENUE NOTE
(OPPIDAN WORKFORCE HOUSING PROJECT)**

Interest Rate:
None

Date of
Original Issue

The City of Grand Rapids, Minnesota (the “City”), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of KTJ 435, LLC, or registered assigns (the “Owner”), solely from the source, to the extent and in the manner hereinafter provided, the principal sum in an amount not to exceed \$_____ subject to adjustment in accordance with Section 3.9 of the Agreement. No interest shall accrue on this Note. This Taxable Abatement Revenue Note (Oppidan Predevelopment Housing Project) (this “Note”) is given in accordance with that certain Development Assistance Agreement between the City, the Grand Rapids Economic Development Authority, and the Owner, dated as of _____, 2025 (the “Agreement”). Capitalized terms used and not otherwise defined herein shall have the meaning provided for such terms in the Agreement unless the context clearly requires otherwise.

Payments of principal on this Note (each a “Payment”) shall be payable in semi-annual installments payable on each February 1 and August 1 (the “Abatement Payment Dates”) provided that if any such Abatement Payment Date is not a Business Day the Abatement Payment Date shall be the next succeeding Business Day, commencing on August 1, 2036 and continuing until the Final Abatement Payment Date as defined in the Agreement (“Final Maturity Date”).

Each Payment shall be in an amount equal to the amount of Pledged Tax Abatements (as defined in the Agreement) actually received by the City in the 6-month period before each Abatement Payment Date. Notwithstanding anything to the contrary herein, the payments of Tax Abatements under this paragraph in each year may not exceed the Statutory Cap and the payment on each Abatement Payment Date shall be subject to the qualification described in Section 3.6 of the Agreement in the case of a pending Tax Appeal. Payments are subject to prepayment at the option of the City in whole or in part on any date after the Date of Original Issue stated above. All payments shall be applied to principal. Notwithstanding anything herein to the contrary, total payments of principal and interest under the Tax Abatement Note shall not exceed \$3,000,000 which is the maximum amount of Tax Abatements set forth in the Tax Abatement Program.

Each payment on this Note is payable in any coin or currency of the United States of America which on the date of such payment is legal tender for public and private debts and shall be made by check or draft made payable to the Owner and mailed to the Owner at its postal address within the United States which shall be designated from time to time by the Owner.

Payments on this Note are payable solely from Pledged Tax Abatements. The pledge of Pledged Tax Abatements is subject to all the terms and conditions of the Agreement.

The City's payment obligations hereunder subject to the conditions that (i) no Event of Default under Section 5.1 of the Agreement shall have occurred and be continuing at the time payment is otherwise due hereunder, and (ii) the Agreement shall not have been terminated pursuant to Section 5.2 thereof, and (iii) all conditions set forth in Section 3.3 of the Agreement have been satisfied as of such date. Any such suspended and unpaid amounts shall become payable, without interest accruing thereon in the meantime, if this Note has not been terminated in accordance with Section 5.2 of the Agreement and said Event of Default shall thereafter have been cured in accordance with Section 5.2 of the Agreement. If pursuant to the occurrence of an Event of Default under the Agreement the City elects, in accordance with the Agreement to cancel and rescind the Agreement and/or this Note, the City shall have no further debt or obligation under this Note whatsoever. Reference is hereby made to all of the provisions of the Agreement, for a fuller statement of the rights and obligations of the City to pay the principal of this Note, and said provisions are hereby incorporated into this Note as though set out in full herein.

This Note shall terminate and be of no further force and effect as of, and the City shall have no obligation to pay any portion of the Payments that remains unpaid after, the Final Maturity Date. Any estimates of Tax Abatements prepared by the City or its municipal advisor in connection with the Pledged Tax Abatements and the Agreement are for the benefit of the City only and are not intended as representations on which the Developer may rely. **THE CITY MAKES NO REPRESENTATION OR COVENANT, EXPRESS OR IMPLIED, THAT THE PLEDGED TAX ABATEMENTS WILL BE SUFFICIENT TO PAY, IN WHOLE OR IN PART, THE AMOUNTS WHICH ARE OR MAY BECOME DUE AND PAYABLE HEREUNDER.**

This Note is issued pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended, and pursuant to the resolution duly adopted by the City Council of the City on December 2, 2024 (the "Resolution"), and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota.

THIS NOTE IS A LIMITED OBLIGATION OF THE CITY, PAYABLE SOLELY FROM MONEYS PLEDGED TO THE PAYMENT OF THIS NOTE UNDER THE RESOLUTION. THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE STATE OF MINNESOTA, OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING, WITHOUT LIMITATION, THE CITY. NEITHER THE STATE OF MINNESOTA, NOR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING, WITHOUT LIMITATION, THE CITY, SHALL BE OBLIGATED TO PAY THE PRINCIPAL OF ON THIS NOTE OR OTHER COSTS INCIDENT HERETO EXCEPT FROM THE REVENUES AND RECEIPTS PLEDGED THEREFOR, AND NEITHER THE FULL FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF MINNESOTA OR ANY POLITICAL SUBDIVISION THEREOF, INCLUDING, WITHOUT LIMITATION, THE CITY, IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL ON THIS NOTE OR OTHER COSTS INCIDENT HERETO.

This Note is issuable only as a fully registered note without coupons. This Note is transferable upon the books of the City kept for that purpose at the principal office of the Registrar, by the Owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender of this Note together with

a written instrument of transfer satisfactory to the City, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the City with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate, and maturing on the same dates.

This Note shall not be transferred to any person or entity except in accordance with Section 4.8 of the Agreement and unless the City has been provided an investor letter and a certificate of the transferor, in a form satisfactory to the City, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. Transfer of the ownership of this Note to a person other than one permitted by this paragraph without the written consent of the City shall relieve the City of all of its obligations under this Note.

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

IN WITNESS WHEREOF, the City Council of the City of Grand Rapids, Minnesota has caused this Note to be executed by the manual signatures of the Mayor and City Administrator of the City and has caused this Note to be dated as of the Date of Original Issue specified above.

CITY OF GRAND RAPIDS, MINNESOTA

By: _____
Its: Mayor

By: _____
Its: City Administrator

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the within Note is registered in the bond register of the City Administrator in the name of the person last listed below.

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of City Administrator</u>
_____	KTJ 435, LLC Federal ID # 41-0856419	_____

EXHIBIT F

PUBLIC DEVELOPMENT COSTS

Costs of Improvements

Other TIF eligible costs as determined by the City in its sole discretion

EXHIBIT G
TOTAL PROJECT COSTS;

USES	Total	Percent	Per Unit
Construction Costs	\$ 28,624,401	86%	\$ 216,852
Land	\$ 585,000	0%	\$ 4,432
Site Improvements/Infrastructure	\$ 412,000	1%	\$ 3,121
Soft Costs/Professional Fees	\$ 1,286,288	4%	\$ 9,745
Financing Costs	\$ 1,281,464	4%	\$ 9,708
Developer Fee	\$ 1,000,000	3%	\$ 7,576
TOTAL USES	\$ 33,189,153	100%	\$ 251,433

DEVELOPER'S PROJECT PROFORMA; SAMPLE LOOKBACK CALCULATION

EXHIBIT H

IRRR WORKFORCE GRANT AGREEMENT

EXHIBIT I
DEFERRED LOAN AGREEMENT

EXHIBIT J

IRRR PREDEVELOPMENT GRANT AGREEMENT

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

RESOLUTION APPROVING A DEVELOPMENT ASSISTANCE AGREEMENT WITH KTJ 435, LLC AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF A TAX INCREMENT REVENUE NOTE IN CONNECTION THEREWITH

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

Section 1. Recitals.

1.01. On December 2, 2025, following a duly noticed public hearing, the City established Tax Increment Financing District No. 1-17: Oppidan Workforce Housing (the “TIF District”), an economic development district within Municipal Development District No. 1 in the City, and adopted a Tax Increment Financing Plan therefor.

1.02. KTJ 435, LLC, a Minnesota limited liability company, or an affiliate thereof or an entity related thereto (the “Developer”), plans to purchase certain real property in the TIF District (the “Property”), which is owned by the Grand Rapids Economic Development Authority (the “Authority”), a body corporate and politic organized and existing under the laws of the State of Minnesota.

1.03. The Developer proposes to acquire the Property from the Authority and construct, improve and equip thereon an approximately 132-unit market rate rental housing community (the “Project”).

1.04. To make the Project financially feasible, the Developer has requested financial assistance from the City and the Authority in the form of tax increment financing assistance, a property tax abatement, and a write down of the land acquisition price from the Authority.

1.05. The City proposes to reimburse the Developer for certain qualified costs for the Project in an amount not to exceed \$4,183,506, through the issuance of the City’s pay as you go Taxable Tax Increment Revenue Note (Oppidan Workforce Housing Project) (the “TIF Note”), subject to the terms and conditions set forth in that certain Development Assistance Agreement, by and between the City, the Authority, and the Developer (the “Agreement”).

1.06. On December 2, 2025, following a duly noticed public hearing, the City Council approved a property tax abatement (the “Abatement”) on the Property to complete the Project. The Abatement is for a term of up to twenty (20) years, beginning the year following the year the TIF District is decertified, in an amount not to exceed \$3,000,000 (consisting of principal and interest) and is evidenced by the City’s Taxable Abatement Revenue Note (Oppidan Workforce Housing Project) (the “Abatement Note”), which is subject to the terms and conditions set forth in the Agreement.

1.07. On November 24, 2025, the Authority held a duly noticed public hearing on the sale of the Property to the Developer, and the Authority will consider whether to approve the Agreement and the provision of a reduction in the purchase price from the fair market value of the Property contained therein (the “Land Write Down”).

Section 2. Agreement Approved.

2.01. Subject to approval of the Agreement by the Authority, the City hereby approves the Agreement substantially in accordance with the terms set forth in the form presented to the City Council, together with any related documents necessary in connection therewith, including the TIF Note, the Abatement Note, and without limitation all documents, exhibits, certifications or consents referenced in or attached to the Agreement (collectively, the “Development Documents”) and hereby authorizes the Mayor and the City Administrator to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the City, and to carry out, on behalf of the City, the City’s obligations thereunder when all conditions precedent thereto have been satisfied.

2.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the City and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the City. The execution of any instrument by the appropriate officers of the City herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Development Documents, the officers and employees of the City are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the City to implement the Development Documents.

Section 3. TIF Note Authorized. The City hereby approves the issuance of the TIF Note pursuant to the Agreement. The TIF Note shall be issued in the maximum aggregate principal amount of \$4,183,506 to the Developer, in consideration of certain eligible costs incurred by the Developer under the Agreement, shall be dated the date of delivery thereof. The TIF Note is secured by Pledged Tax Increment, as further described in the Agreement. The City Council hereby delegates to the City Administrator the determination of the date on which the TIF Note is to be delivered, in accordance with the Agreement.

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

4.01 The TIF Note shall be in substantially the form attached hereto as Exhibit A, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue in accordance with the Agreement.

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

4.03. Payment Dates. Principal of and interest on the TIF Note shall be payable on each February 1 and August 1 commencing August 1, 2027 and thereafter to and including the Final TIF Payment Date (as defined in the Agreement).

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

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

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

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

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

(e) Persons Deemed Owners. The City and the Registrar may treat the person in whose name the TIF Note is at any time registered in the bond register as the absolute owner of the TIF Note, whether the TIF Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such TIF Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the City upon such TIF Note to the extent of the sum or sums so paid.

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

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

4.05. Preparation and Delivery. The TIF Note shall be prepared under the direction of the City Administrator and shall be executed on behalf of the City by the signatures of its Mayor and City Administrator. In case any officer whose signature shall appear on the TIF Note shall cease to be such officer before the delivery of the TIF Note, such signature shall nevertheless be valid and sufficient for all

purposes, the same as if such officer had remained in office until delivery. When the TIF Note has been so executed, it shall be delivered by the City Administrator to the owner thereof in accordance with the Agreement.

Section 5. Security Provisions.

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

Section 6. Certification of Proceedings.

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

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

Adopted on February 10, 2025 by the City Council of the City of Grand Rapids, Minnesota.

Mayor

City Clerk

EXHIBIT A

No. R-1

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

TAXABLE TAX INCREMENT REVENUE NOTE
(OPPIDAN WORKFORCE HOUSING PROJECT)

<u>Rate</u>	<u>Date of Issuance</u>	<u>Principal Amount</u>
None	_____, 20__	\$ _____

The City of Grand Rapids, Minnesota (the “City”), hereby acknowledges itself to be indebted and, for value received, hereby promises to pay the amounts hereinafter described (the “Payment Amounts”) subject to adjustment in accordance with Section 3.9 of the Agreement (as hereinafter defined) to KTJ 435, LLC, a Minnesota limited liability company (the “Developer”), or its registered assigns (the “Registered Owner”), but only in the manner, at the times, from the sources of revenue, and to the extent hereinafter provided.

This Note is issued pursuant to that certain Development Assistance Agreement, dated as of _____, 2025, as the same may be amended from time to time (the “Agreement”), by and between the City, the Grand Rapids Economic Development Authority, and the Developer. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Agreement.

No interest shall accrue on the TIF Note.

The amounts due under this Note shall be payable on each February 1 and August 1 commencing August 1, 2027 and thereafter to and including the Final TIF Payment Date (as defined in the Agreement) (collectively, the “TIF Payment Dates”). On each TIF Payment Date, the City shall pay by check or draft mailed to the person that was the Registered Owner of this Note at the close of the last Business Day preceding such TIF Payment Date an amount equal to 90% of the Tax Increments as defined in the Agreement received by the City during the 6-month period preceding such TIF Payment Date (the “Pledged Tax Increments”).

Payments on this Note shall be payable solely from the Pledged Tax Increments.

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

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

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

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

The Registered Owner shall never have or be deemed to have the right to compel any exercise of any taxing power of the City or of any other public body, and neither the City nor any person executing or registering this Note shall be liable personally hereon by reason of the issuance or registration thereof or otherwise.

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

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

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

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

By _____
Its Mayor

By _____
Its City Administrator

CERTIFICATION OF REGISTRATION

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

NAME AND ADDRESS OF
REGISTERED OWNER

DATE OF
REGISTRATION

SIGNATURE OF
FINANCE DIRECTOR

KTJ 435, LLC
P.O. Box 280
Grand Rapids, MN 55744

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

**Exhibit 1
To Taxable TIF Note**

RISK FACTORS

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

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

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

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

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

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

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

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

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

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

Exhibit 2
To Taxable TIF Note

ACKNOWLEDGMENT REGARDING TIF NOTE

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

A. On the date hereof the Note Holder has [acquired from]/[made a loan (the “Loan”) [to/for the benefit] of] KTJ 435, LLC, a Minnesota limited liability company (the “Developer”), [secured in part by] the Taxable Tax Increment Revenue Note (Oppidan Predevelopment Housing Project), a pay-as-you-go tax increment revenue note in the original principal amount of \$_____, dated _____, 20__ of the City of Grand Rapids, Minnesota (the “City”), a copy of which is attached hereto (the “Note”).

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

C. The Note Holder represents and warrants that:

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

2. The Note Holder is (i) the owner of the Development Property or (ii) a financial institution or an “accredited investor” as defined in Rule 501(a) of Regulation D promulgated under the Securities Act of 1933, and as further described in **Exhibit 1A** hereto and has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of acquiring [and holding the Note] [an interest in the Note as collateral for the Loan].

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

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

D. The Note Holder understands that the Note is payable solely from certain tax increments derived from certain properties located in a tax increment financing district, if and as received by the City. The Note Holder acknowledges that the City has made no representation or covenant, express or implied, that the revenues pledged to pay the Note will be sufficient to pay, in whole or in part, the principal due on the Note. Any amounts which have not been paid on the Note on or before the final maturity date of the Note shall no longer be payable, as if the Note had ceased to be an obligation of the City. The Note Holder understands that the Note will never represent or constitute a general obligation, debt or bonded indebtedness of the City, the State of Minnesota, or any political subdivision thereof and that no right will exist to have taxes levied by the City, the State of Minnesota or any political subdivision thereof for the payment of principal on the Note.

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

1. Value of Improvements. If the contemplated Improvements constructed in the tax increment financing district are completed at a lesser level of value than originally contemplated, they will generate fewer taxes and fewer tax increments than originally contemplated.

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

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

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

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

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

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

8. Changes to Local Tax Rate. The local tax rate to be applied in the tax increment financing district is the lower of the current local tax rate or the original local tax rate for the tax increment financing district. In the event that the Current Local Tax Rate is higher than the Original Local Tax Rate, then the “excess” or difference that comes about after applying the lower Original Local Tax Rate instead of the Current Local Tax Rate is considered “excess” tax increment and is

distributed by Itasca County to the other taxing jurisdictions and such amount is not available to the City as tax increment.

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

F. The Note Holder acknowledges that the Note was issued pursuant to a Development Assistance Agreement between the City, the Grand Rapids Economic Development Authority, and the Developer, dated _____, 2025 (“Development Agreement”), and that the City has the right to suspend payments under this Note and/or terminate the Note upon an Event of Default under the Development Agreement.

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

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

Note Holder:

By _____
Name: _____
Its _____



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider a professional services agreement with Voyager Cannabis for the preparation of a municipal dispensary application

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

As the City Council has previously discussed, current Minnesota cannabis regulations allow municipalities the opportunity to obtain a dispensary license proactively, outside of the lottery system.

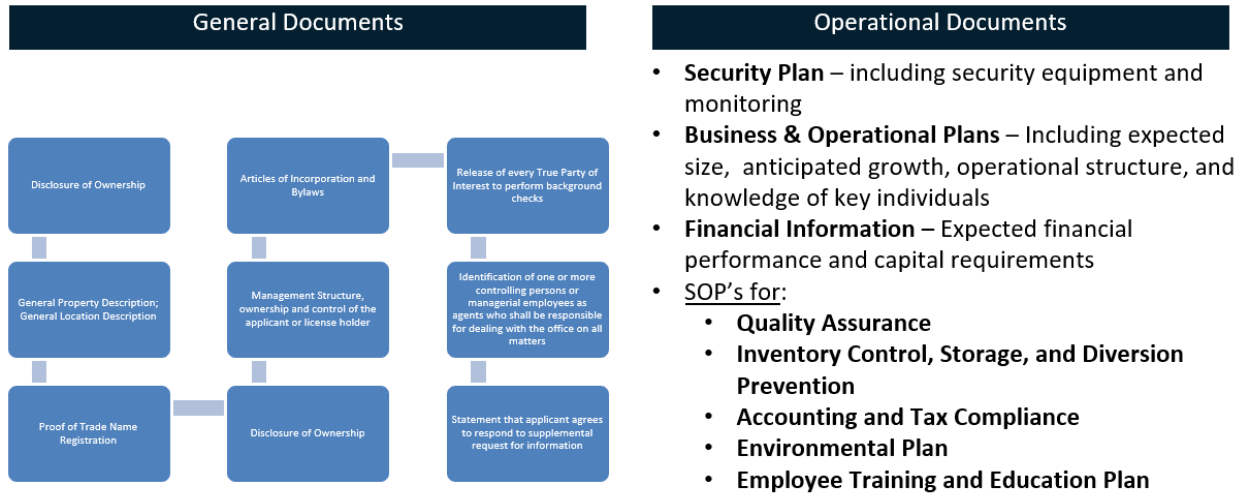
At the November 25, 2024 City Council Worksession, Voyager Cannabis presented an overview of service they can provide to a municipality as a dispensary operator, and the estimated amount of revenue might be captured by the City under that arrangement. Since that discussion, Voyager has been working on a more refined estimate and proposal to the City. This work is involving some preliminary architectural layout and cost estimating for the renovation of an existing building. This is still a work in process and there will be more discussion with the Council on that at a later date.

The following is Minnesota Office of Cannabis Management 2025 upcoming licensing schedule.



As previously mentioned, municipal dispensary licenses are not subject to the lottery system, however they are required to adhere to the general applicant verification requirements. According to the schedule, municipalities would be eligible to submit an application on February 18.

The cannabis licensing application will require information such as:



The attached proposal from Voyageur Capital is for the preparation and submittal of an application on behalf of the City. The not-to-exceed cost for this service is \$3,000. This expense will be funded through the professional services line item in the Community Development budget.

This agreement does not commit the City to working with Voyageur in any other capacity. Assuming the City is successful obtaining a license, it would not commit the City to moving forward with a dispensary. That will be a future consideration.

REQUESTED COUNCIL ACTION:

Make a motion to approve a professional services agreement with Voyageur Cannabis for the preparation of a municipal dispensary application.



Voyageur Cannabis Services
 515 N Washington Ave, Minneapolis MN 55401
 (218) 341-3246
Voyageurcannabisservices.com

SERVICE CONTRACT

1. The Parties. This Service Contract (“Agreement”) made 2/6/2025, is by and between:

Service Provider: Voyageur Cannabis Services with a mailing address of 515 N Washington Ave, Minneapolis MN 55401 (“Service Provider”), and

Client : City of Grand Rapids with a mailing address of 420 N Pokegama Ave, Grand Rapids MN 55744 (“Client”).

Service Provider and Client are each referred to herein as a “Party” and, collectively, as the "Parties."

NOW, THEREFORE, FOR AND IN CONSIDERATION of the mutual promises and agreements contained herein, the Client hires the Service Provider to work under the terms and conditions hereby agreed upon by the Parties:

2. Scope of Work. The Service Provider agrees to provide the following:

Application Support Services:

- Provide comprehensive guidance in preparing licensing applications for municipal cannabis operations.
- Develop compliance plans tailored to meet state and local regulations.
- Assist in gathering, organizing, and submitting required documentation.
- Collaborate with stakeholders to ensure all application components are complete and accurate.
- Address and resolve any feedback or requests for clarification from regulatory bodies.

3. Deliverables

Voyageur will deliver the following:

1. A complete licensing application tailored to the municipality’s requirements.
2. Compliance checklists and frameworks to ensure adherence to regulatory standards.
3. Detailed documentation summaries and submission tracking reports.
4. Post-submission support, including addressing regulatory inquiries and providing necessary clarifications.

4. Fees and Payment Terms

The Client agrees to pay Voyageur \$3,000 for the services outlined above. Payment terms are as follows:

- 50% (\$1,500) upon signing this Contract.
- 50% (\$1,500) upon completion and submission of the application.

5. Payment Method

The Client shall pay the Payment Amount as specified in Section 4. Payments shall be made by bank transfer, check, credit card or online payment platform.

6. Confidentiality

Both parties acknowledge that the Client, as a municipal corporation, is subject to the Minnesota Government Data Practices Act (Minn. Stat. 13) and therefore may be required to disclose certain information in accordance with the law. The Service Provider agrees that any confidential or proprietary information shared with the Client shall be subject to these legal requirements. The Client will make reasonable efforts to protect sensitive information to the extent permitted by law.

7. Termination

Either party may terminate this Contract with 30 days written notice. In the event of termination, the Client agrees to pay for all services rendered up to the termination date.

8. Validity Amid Regulatory Changes

This Contract shall remain valid and enforceable regardless of any changes or updates to state or local regulations that may occur during its term. Voyageur Cannabis Services will make reasonable efforts to adapt its services to ensure compliance with any such changes.

9. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the State of Minnesota.

10. Acceptance

By signing below, the parties agree to the terms and conditions outlined in this Contract.

Client's Signature _____

Date _____

Print Name _____

Service Provider's Signature Patrick Hurley

Date 2/6/2025

Print Name Patrick Hurley



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

REQUEST FOR COUNCIL ACTION

- AGENDA DATE:** February 10, 2025
- AGENDA ITEM:** Conduct a Public Hearing to consider the adoption of an Ordinance amending a Division 12 (Floodplain Restrictions) within Chapter 30 Land Development Regulations.
- PREPARED BY:** Dan Swenson, Assistant Director of Community Development
-

BACKGROUND:

On February 6, 2025, the Planning Commission initiated the process to consider an amendment to Division 12 of the Zoning Ordinance titled Floodplain Restrictions.

The ordinance is being amended to incorporate the updated Flood Insurance Rate Map panels and Flood Insurance Study for Itasca County, to maintain participation in the National Flood Insurance Program (NFIP).

On December 18, 2024, the city sent a received a revised floodplain management ordinance draft to the Minnesota Department of Natural Resources (MnDNR) that was conditionally approved on January 13, 2025.

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

REQUESTED COUNCIL ACTION:

Conduct a Public Hearing to consider the adoption of an Ordinance amending Division 12 (Floodplain Restrictions) within Chapter 30 Land Development Regulations



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

Item 21.

Ordinance Amendment:

Planning Commission Initiated Amendment to Chapter 30 Land Development Regulations

February 10, 2025



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

Text Amendment

- **Initiation Date**

Planning Commission Initiated – February 6, 2025

- **Text Amendment Summary**

The proposed amendment of Division 30-VI-12 (Floodplain Restrictions) incorporates the updated Flood Insurance Rate Map panels and Flood Insurance Study for Itasca County; the amendment allows the city to maintain participation in the National Flood Insurance Program (NFIP)

- **General sections of ordinance initiated for amendment**

Division 30-VI-12 (Floodplain Restrictions) in its entirety



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

Text Amendment

- **Reasoning and Justification**

The ordinance is being amended to incorporate the updated Flood Insurance Rate Map panels and Flood Insurance Study for Itasca County, to maintain participation in the National Flood Insurance Program (NFIP).

On December 18, 2024, the city sent a received a revised floodplain management ordinance draft to the Minnesota Department of Natural Resources (MnDNR) that was conditionally approved on January 13, 2025.

In accordance with Minnesota Statutes, Section 103F.121, the MnDNR found that that the City's draft floodplain management ordinance substantially complies with the state floodplain management rules (Minnesota Rules, parts 6120.5000 to 6120.6200) and, to the best of their knowledge, with the floodplain management standards of the Federal Emergency Management Agency (FEMA).



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

Text Amendment

- **Reasoning and Justification**

Division 30-VI-12 (Floodplain Restrictions) removing in its entirety

DIVISION 30-VI-12 FLOODPLAIN RESTRICTIONS

[Subdivision 30-VI-12-I In General](#)

[Subdivision 30-VI-12-II Administration And Enforcement](#)

[Subdivision 30-VI-12-III Standards And Requirements](#)

State Law reference— Floodplain Management Law, Minn. Stat. § 103F.101 et seq.; floodplain management ordinances, Minn. Stat. § 103F.121.

Subdivision 30-VI-12-I In General

[30-731 Definitions](#)

[30-732 Statutory Authorization; Findings Of Fact And Purpose](#)

[30-733 Lands Upon Which This Division Applies](#)

[30-734 Establishment Of Official Zoning Map](#)

[30-735 Abrogation And Greater Restrictions](#)

[30-736 Warning And Disclaimer Of Liability](#)

[30-737 Interpretation; Boundaries](#)

[30-738 Regulatory Flood Protection Elevation](#)

[30-739 Violations](#)



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

Text Amendment

- **Reasoning and Justification**

Adding Division 30-VI-12 (Floodplain Restrictions) see EXHIBIT 1 for full ordinance text

EXHIBIT 1 - DRAFT FLOODPLAIN RESTRICTIONS OF DIVISION 30-VI-12

Floodplain Restrictions

This ordinance has been developed to be consistent with Minnesota Statutes, Chapter 103F, Minnesota Rules, parts 6120.500 – 6120.6200; 44 CFR § 59 to 78; Federal Emergency Management Agency (FEMA) technical bulletins and policies; as well as other state agency statutes and rules.

Contents

SECTION 1.0	STATUTORY AUTHORIZATION AND PURPOSE	2
SECTION 2.0	DEFINITIONS	2
SECTION 3.0	JURISDICTION AND DISTRICTS	5
SECTION 4.0	REQUIREMENTS FOR ALL FLOODPLAIN DISTRICTS	6
SECTION 5.0	FLOODWAY DISTRICT	7
SECTION 6.0	FLOOD FRINGE DISTRICT.....	8
SECTION 7.0	GENERAL FLOODPLAIN DISTRICT	11
SECTION 8.0	SUBDIVISION STANDARDS	12
SECTION 9.0	PUBLIC AND PRIVATE UTILITIES, SERVICE FACILITES, ROADS, BRIDGES, AND RAILROADS.....	12
SECTION 10.0	MANUFACTURED HOMES AND RECREATIONAL VEHICLES	12
SECTION 11.0	ADMINISTRATION.....	13
SECTION 12.0	NONCONFORMITIES	14
SECTION 13.0	VIOLATIONS AND PENALTIES.....	15
SECTION 14.0	AMENDMENTS.....	16



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

Text Amendment



January 13, 2025

The Honorable Tasha Connelly
Mayor, City of Grand Rapids
420 N Pokegama Ave.
Grand Rapids, MN 55744

Dear Mayor Connelly:

RE: CONDITIONAL STATE APPROVAL OF FLOODPLAIN ORDINANCE & REQUIRED NEXT STEPS

On behalf of the Department of Natural Resources (DNR), I am writing to conditionally approve the City of Grand Rapids' draft floodplain management ordinance.

We received a draft of the City's revised floodplain ordinance from City Assistant Community Development Director, Dan Swenson, on December 18, 2024. This ordinance is being amended to incorporate the updated Flood Insurance Rate Map panels and accompanying Flood Insurance Study for Itasca County, with an effective date of March 11, 2025, and to maintain participation in the National Flood Insurance Program (NFIP).

In accordance with Minnesota Statutes, Section 103F.121, we find that the City's draft floodplain management ordinance substantially complies with the state floodplain management rules (Minnesota Rules, parts 6120.5000 to 6120.6200) and, to the best of our knowledge, with the floodplain management standards of the Federal Emergency Management Agency (FEMA). It is hereby conditionally approved.

We will provide final approval of the City's draft floodplain management ordinance once the following conditions have been met:

- *Revise the draft ordinance to address all comments and recommended revisions in the attachment.*
- *Submit the following materials to the DNR, no later than March 7, 2025:*
 - *one (1) copy each of the signed adopted ordinance addressing all comments noted above,*
 - *the affidavit of publication, and*
 - *the completed "Ordinance Processing Checklist" (attached).*

Please forward these documents via email to the DNR Floodplain Program email at floodplain_spr@dnr.state.mn.us and copy the DNR's State NFIP Coordinator, Cell Strauss at cell.strauss@dnr.state.mn.us. Upon receipt and verification, we will send a final approval letter. Ms. Strauss will then transmit the ordinance and final approval letter to our contacts at FEMA's Chicago Regional Office.

Though FEMA must receive a signed, certified, and effective ordinance no later than March 11, 2025, we request that you submit the materials noted above to the DNR *no later than March 7, 2025*, to accommodate for processing. *If FEMA has not received the documentation by the map effective date, FEMA will suspend the City from the National Flood Insurance Program.*

Minnesota Department of Natural Resources • Division of Ecological and Water Resources
500 Lafayette Road, Box 25, Saint Paul, MN 55155-4025

Be advised that any future amendment of this ordinance or change in the designation of flood prone areas requires DNR approval prior to adoption. In addition, when receiving requests for variances or conditional use permits, local governments are required to send notifications to the DNR for public hearings and records of final decisions. Should you have any questions on this ordinance or related matters, please contact Ms. Strauss via email or at (651) 259-5713.

While our office in St. Paul will be the main contact for official actions taken related to your floodplain ordinance, your DNR Area Hydrologist will continue to be your main contact for day-to-day assistance with administering your floodplain management ordinance and assisting you with questions about other DNR water-related programs and permits. Your Area Hydrologist is Rian Reed, who can be contacted at 218-328-8815 or rian.reed@dnr.state.mn.us.

The DNR greatly appreciates your community's cooperation and initiative in providing for the reduction of flood damages through the adoption and administration of this ordinance.

Sincerely,

Emily Javens Digitally signed by Emily Javens
Date: 2025.01.14 08:27:32 -0500

Emily Javens, PE
Land Use Unit Supervisor
DNR Ecological & Water Resources

Attachments: Draft Ordinance with DNR Comments
Ordinance Processing Checklist
Sample Ordinance Summary

- c: Dan Swenson, Assistant Community Development Director – City of Grand Rapids
Darrell Schindler, DNR EWR Regional Manager
Darrin Hoverson, DNR EWR District Manager
Rian Reed, DNR Area Hydrologist
Cell Strauss, DNR State Floodplain Manager/NFIP Coordinator



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

Text Amendment

Timeline

February 6, 2025 - Planning Commission initial review of staff identified issues, initiates formal amendment process.

February 6, 2025 - Planning Commission Review and Recommendation.

February 10, 2025 - City Council reviews Planning Commission recommendation, conducts a public hearing and considers adoption of Ordinance.



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Text Amendment

PLANNING COMMISSION

Considerations

ZONING ORDINANCE 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 21.

Questions/Comments?

EXHIBIT 1 - DRAFT FLOODPLAIN RESTRICTIONS OF DIVISION 30-VI-12

Floodplain Restrictions

This ordinance has been developed to be consistent with Minnesota Statutes, Chapter 103F, Minnesota Rules, parts 6120.500 – 6120.6200; 44 CFR § 59 to 78; Federal Emergency Management Agency (FEMA) technical bulletins and policies; as well as other state agency statutes and rules.

Contents

SECTION 1.0 STATUTORY AUTHORIZATION AND PURPOSE 2

SECTION 2.0 DEFINITIONS 2

SECTION 3.0 JURISDICTION AND DISTRICTS 5

SECTION 4.0 REQUIREMENTS FOR ALL FLOODPLAIN DISTRICTS 6

SECTION 5.0 FLOODWAY DISTRICT 7

SECTION 6.0 FLOOD FRINGE DISTRICT 8

SECTION 7.0 GENERAL FLOODPLAIN DISTRICT 11

SECTION 8.0 SUBDIVISION STANDARDS 12

SECTION 9.0 PUBLIC AND PRIVATE UTILITIES, SERVICE FACILITES, ROADS, BRIDGES, AND RAILROADS 12

SECTION 10.0 MANUFACTURED HOMES AND RECREATIONAL VEHICLES 12

SECTION 11.0 ADMINISTRATION 13

SECTION 12.0 NONCONFORMITIES 14

SECTION 13.0 VIOLATIONS AND PENALTIES 15

SECTION 14.0 AMENDMENTS 16

SECTION 1.0 STATUTORY AUTHORIZATION AND PURPOSE

Item 21.

- 1.1 **Statutory Authorization.** This floodplain ordinance is adopted pursuant to the authorization and policies contained in Minnesota Statutes, Chapter 103F; Minnesota Rules, parts 6120.5000 – 6120.6200; the rules and regulations of the National Flood Insurance Program (NFIP) in 44 CFR § 59 to 78; and the planning and zoning enabling legislation in Minnesota Statutes, Chapter 462.
- 1.2 **Purpose**
- 1.21 This ordinance regulates development in the flood hazard areas of the City of Grand Rapids. These flood hazard areas are subject to periodic inundation, which may result in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base. It is the purpose of this ordinance to promote the public health, safety, and general welfare by minimizing these losses and disruptions.
- 1.22 This ordinance is adopted in the public interest to promote sound land use practices, and floodplains are a land resource to be developed in a manner which will result in minimum loss of life and threat to health, and reduction of private and public economic loss caused by flooding.
- 1.23 This ordinance is adopted to maintain eligibility in the National Flood Insurance Program.
- 1.24 This ordinance is also intended to preserve the natural characteristics and functions of watercourses and floodplains to moderate flood and stormwater impacts, improve water quality, reduce soil erosion, protect aquatic and riparian habitat, provide recreational opportunities, provide aesthetic benefits and enhance community and economic development.
- 1.3 **Abrogation and Greater Restrictions.** It is not intended by this ordinance to repeal, abrogate, or impair any existing easements, covenants, or other private agreements. The standards in this ordinance take precedence over any less restrictive, conflicting local laws, ordinances, or codes. All other ordinances inconsistent with this ordinance are hereby repealed to the extent of the inconsistency only.
- 1.4 **Warning and Disclaimer of Liability.** This ordinance does not imply that areas outside the floodplain districts or land uses permitted within such districts will be free from flooding or flood damages. Not all flood risk is mapped. Larger floods do occur, and the flood height may be increased by man-made or natural causes, such as ice jams or bridge openings restricted by debris. This ordinance does not create liability on the part of the City of Grand Rapids or its officers or employees for any flood damages that result from reliance on this ordinance, or any administrative decision lawfully made hereunder.
- 1.5 **Severability.** If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of law, the remainder of this ordinance shall not be affected and shall remain in full force.

SECTION 2.0 DEFINITIONS

- 2.1 **Definitions.** Unless specifically defined, words or phrases used in this ordinance must be interpreted according to common usage and to give this ordinance its most reasonable application.
- 2.111 Accessory Structure. A structure, as defined in this ordinance, that is on the same parcel of property as, and is incidental to, the principal structure or use; an accessory structure specifically excludes structures used for human habitation.
- 2.112 Base Flood. The flood having a one-percent chance of being equaled or exceeded in any given year. "Base flood" is synonymous with the term "regional flood" used in Minnesota Rules, part 6120.5000.
- 2.113 Base Flood Elevation (BFE). The elevation of the base flood, regional flood, or one-percent annual chance flood. The term "base flood elevation" is used in the flood insurance study.
- 2.114 Basement. Any area of a structure, including crawl spaces, having its floor subgrade (below ground level) on all sides, regardless of the depth of excavation below ground level.
- 2.115 Building. See *Structure*.
- 2.116 Channel. A natural or artificial depression of perceptible extent, with definite bed and banks to confine and conduct flowing water either continuously or periodically.

- 2.117 Conditional Use. A land use or development that would not be appropriate generally but may be allowed upon appropriate restrictions upon a finding that certain conditions as detailed in the zoning ordinance exist, the use or development conforms to the comprehensive land use plan of the community, and the use is compatible with the existing neighborhood.
- 2.118 Critical Facilities. Buildings and structures that contain essential facilities and services necessary for emergency response and recovery, or that pose a substantial risk to the public in the event of failure, disruption of function, or damage by flooding. Specifically, this includes facilities identified as Flood Design Class 4 in *ASCE 24-14, Flood Resistant Design and Construction*, as amended. Examples include health care facilities, facilities required for emergency response, power generating stations, communications towers, or electrical substations.
- 2.119 Development. Any man-made change to improved or unimproved real estate, including, but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials.
- 2.120 Equal Degree of Encroachment. A method of determining the location of floodway boundaries so that floodplain lands on both sides of a stream are capable of conveying a proportionate share of flood flows.
- 2.121 FEMA. Federal Emergency Management Agency.
- 2.122 Farm Fence. An open type of fence of posts and horizontally run wire, further specified in Minnesota Statutes, section 344.02, Subd. 1(a-d).
- 2.123 Flood. A temporary rise in the stream flow or water surface elevation from any source that results in the inundation of normally dry land areas.
- 2.124 Flood Fringe. The portion of the one-percent annual chance floodplain located outside of the floodway. This district shall be extended laterally to the 0.2-percent annual chance floodplain, where mapped.
- 2.125 Flood Insurance Rate Map (FIRM). An official map on which the Federal Insurance Administrator has delineated both the special flood hazard areas and the risk premium zones applicable to the community. A FIRM that has been made available digitally is called a Digital Flood Insurance Rate Map (DFIRM).
- 2.126 Flood Insurance Study (FIS). The study referenced in Section 3.2, which is an examination, evaluation and determination of flood hazards, and if appropriate, corresponding surface elevations, or an examination, evaluation, and determination of mudslide (i.e. mudflow) and/or flood-related erosion hazards.
- 2.127 Floodplain. The beds, channel and the areas adjoining a wetland, lake or watercourse, or other source which have been or hereafter may be inundated by the base flood.
- 2.128 Floodproofing. A combination of structural and non-structural additions, changes, or adjustments to properties and structures subject to flooding, primarily for the reduction or elimination of flood damages.
- 2.129 Floodway. The bed of a wetland or lake and the channel of a watercourse and those portions of the adjoining floodplain which must be reserved to carry or store the base flood discharge without cumulatively increasing the water surface elevation more than one-half foot.
- 2.130 General Floodplain. Those floodplains designated on the Flood Insurance Rate Maps referenced in Section 3.2, but that do not have a delineated floodway.
- 2.131 Light Duty Truck. Any motor vehicle that has all three of the following:
- A. 8,500 pounds Gross Vehicle Weight Rating or less;
 - B. vehicle curb weight of 6,000 pounds or less; and
 - C. basic vehicle frontal area less than 45 square feet.
- 2.132 Lowest Floor. The lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, used solely for parking of vehicles, building access, or storage in an area other than a basement area, is not considered a building's lowest floor; provided, that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of 44 CFR § 60.3.
- 2.133 Manufactured Home. A structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term "manufactured home" does not include the term "recreational vehicle."

- 2.134 New Construction. Structures for which the start of construction commenced on or after the effective date adopted floodplain management regulation and includes any subsequent improvements to such structures
- 2.135 Principal Structure. The main building or other structure on a lot that is utilized for the property's principal use.
- 2.136 Reach. A hydraulic engineering term to describe a longitudinal segment of a stream or river influenced by a natural or man-made obstruction. In an urban area, the segment of a stream or river between two consecutive bridge crossings would most typically constitute a reach.
- 2.137 Recreational Vehicle. A vehicle that is built on a single chassis, is 400 square feet or less when measured at the largest horizontal projection, is designed to be self-propelled or permanently towable by a light duty truck and is designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use. Those vehicles not meeting this definition shall be considered a structure for the purposes of this ordinance. For the purposes of this ordinance, the term recreational vehicle is synonymous with the term "travel trailer/travel vehicle."
- 2.138 Regulatory Flood Protection Elevation (RFPE). An elevation that is two feet above the elevation of the base flood.
- 2.139 Repetitive Loss. Flood related damages sustained by a structure on two separate occasions during a ten-year period for which the cost of repairs at the time of each such flood event on the average equals or exceeds 25% of the market value of the structure before the damage occurred.
- 2.140 Stage Increase. Any increase in the water surface elevation during the one-percent annual chance flood caused by encroachments on the floodplain.
- 2.141 Start of Construction. Includes substantial improvement, and means the date the permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, foundations, or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether that alteration affects the external dimensions of the building.
- 2.142 Structure. A roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home. Recreational vehicles not considered travel ready, as detailed in Section 10.22, shall also be considered a structure for the purposes of this ordinance.
- 2.143 Subdivision. Land that has been divided for the purpose of sale, rent, or lease, including planned unit developments.
- 2.144 Substantial Damage. Damage of any origin sustained by a structure where the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.
- 2.145 Substantial Improvement. Any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures that have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:
- A. Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; or
 - B. Any alteration of a "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure." For this ordinance, "historic structure" is defined in 44 CFR § 59.1.

2.146 Variance. "Variance" means the same as that defined in 44 CFR § 59.1 and Minnesota Statutes, Section 46 Subd. 6(2).

2.147 Watercourse. A channel in which a flow of water occurs either continuously or intermittently in a definitive direction. The term applies to either natural or artificially constructed channels.

SECTION 3.0 JURISDICTION AND DISTRICTS

3.1 **Lands to Which Ordinance Applies.** This ordinance applies to all lands within the jurisdiction of the City of Grand Rapids within the boundaries of the Floodway, Flood Fringe and General Floodplain Districts.

3.11 The Floodway, Flood Fringe or General Floodplain Districts are overlay districts. The standards imposed in the overlay districts are in addition to any other requirements. In case of a conflict, the more restrictive standards will apply.

3.12 In addition to these regulations applying to all areas within the mapped areas referenced in section 3.2, they also apply to some areas beyond the mapped areas. Where a conflict exists between the floodplain limits illustrated on the official floodplain maps and actual field conditions (as illustrated in Figure 1), the Base Flood Elevation (BFE) shall be the governing factor in locating the outer boundaries of the one-percent annual chance floodplain.

Figure 1: The mapped floodplain may not always align with on-the-ground contour elevations.



3.13 Persons contesting the location of the district boundaries will be given a reasonable opportunity to present their case to the Grand Rapids Planning Commission and to submit technical evidence.

3.2 **Incorporation of Maps by Reference.** The following maps together with all attached material are hereby adopted by reference and declared to be a part of the official zoning map and this ordinance. The attached material includes the Flood Insurance Study for Itasca County, Minnesota, and Incorporated Areas, dated March 11, 2025, and the following Flood Insurance Rate Map panels 27061C1490C, 27061C1495C, 27061C1525C, 27061C1655C, 27061C1661C, 27061C1662C, 27061C1675C, 27061C1680C, dated March 11, 2025, all prepared by the Federal Emergency Management Agency. These materials are on file in the City of Grand Rapids Community Development office located at 420 North Pokegama Avenue, Grand Rapids, MN 55744.

3.3 Districts

3.31 Floodway District. Those areas within Zone AE delineated within floodway areas as shown on the Flood Insurance Rate Maps referenced in Section 3.2 and those areas within Zone A determined to be located in the floodway based on the delineation methods in Section 7.4.

3.32 Flood Fringe District. Those areas within Zone AE located outside of the delineated floodway as shown on the Flood Insurance Rate Maps referenced in Section 3.2, and those areas within Zone A determined to be located in the flood fringe based on the delineation methods in Section 7.4. This district shall be extended laterally to the 0.2-percent annual chance floodplain, where mapped.

3.33 General Floodplain District. Those areas within Zone AE and A areas that do not have a floodway delineated as shown on the Flood Insurance Rate Maps referenced in Section 3.2.

3.4 **Annexations.** The Flood Insurance Rate Map panels referenced in Section 3.2 may include floodplain areas that lie outside of the corporate boundaries of the City of Grand Rapids at the time of adoption of this ordinance. If any of

these floodplain land areas are annexed into the City of Grand Rapids after the date of adoption of this ordinance, newly annexed floodplain lands will be subject to the provisions of this ordinance immediately upon the date of annexation. Annexations into panels not referenced in Section 3.2 require ordinance amendment in accordance with Section 14.0.

Item 21.

3.5 **Municipal Boundary Adjustments.** The Flood Insurance Rate Map panels referenced in Section 3.2 apply countywide. If at any point any lands come under the jurisdiction of another local government, the following shall apply:

3.51 City adjustments of corporate boundaries, including but not limited to annexations and detachments, shall shift floodplain administrative authority of all affected lands immediately upon the date of the boundary adjustment occurring. Cities retain jurisdiction for all incorporated lands, and the County retains jurisdiction under this ordinance on all unincorporated lands.

SECTION 4.0 REQUIREMENTS FOR ALL FLOODPLAIN DISTRICTS

4.1 **Permit Required.** A permit must be obtained from the Zoning Administrator to verify compliance with all applicable standards outlined in this ordinance prior to the following uses or activities:

4.11 The erection, addition, modification, rehabilitation, repair, or alteration of any building, structure, or portion thereof. Normal maintenance requires a permit to determine if such work, either separately or in conjunction with other planned work, constitutes a substantial improvement, as specified in Section 12.13.

4.12 The construction of a fence, pool, deck, or placement of anything that may cause a potential obstruction. Farm fences, as defined in Section 2.0 of this ordinance, are not considered to be an obstruction, and as such, do not require a permit.

4.13 The change or expansion of a nonconforming use.

4.14 The repair of a structure that has been damaged by flood, fire, tornado, or any other source.

4.15 The placement of fill, excavation, utilities, on-site sewage treatment systems, or other service facilities.

4.16 The storage of materials or equipment, in conformance with Section 4.22.

4.17 Relocation or alteration of a watercourse (including stabilization projects or the construction of new or replacement dams, culverts and bridges). A local permit is not required if a public waters work permit has been obtained from the Department of Natural Resources, unless a significant area above the ordinary high-water level is also to be disturbed.

4.18 Any other type of "development," as defined in Section 2.0 of this ordinance.

4.2 Minimum Development Standards

4.21 All development must:

A. Be designed (or modified) and adequately anchored to prevent flotation, collapse, or lateral movement resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy;

B. Be constructed with materials and equipment resistant to flood damage;

C. Be constructed by methods and practices that minimize flood damage;

D. Be constructed with heating, ventilation, duct work, and air conditioning equipment and other service facilities elevated at least up to the Regulatory Flood Protection Elevation (RFPE). Water, sewage, electrical, and other utility lines below the RFPE shall be constructed so as to prevent water from entering or accumulating within them during conditions of flooding;

E. Be reasonably safe from flooding and consistent with the need to minimize flood damage;

F. Be assured to provide adequate drainage to reduce exposure to flood hazards;

G. Not be detrimental to uses in adjoining areas; and

H. Not adversely affect the efficiency or restrict the flood carrying capacity of the channel and adjoining floodplain of any tributary watercourse or drainage system.

I. Ensure that any fill or other materials are protected from erosion, discharge, and sediment entering surface waters by the use of vegetative cover or other methods as soon as possible.

- 4.22 Materials that, in time of flooding, are buoyant, flammable, explosive, or could be injurious to human, animal or plant life shall be stored at or above the Regulatory Flood Protection Elevation (RFPE), floodproofed, or protected by other measures as approved by the Zoning Administrator. Storage of materials likely to cause pollution of the waters, such as sewage; sand; rock; wrecked and discarded equipment; dredged spoil; municipal, agricultural or industrial waste; and other wastes as further defined in Minnesota Statutes, Section 115.01, are prohibited unless adequate safeguards approved by the Minnesota Pollution Control Agency are provided. For projects not requiring approvals by the Minnesota Pollution Control Agency, adequate safeguards must be approved by the Zoning Administrator prior to issuance of a permit.
- 4.23 Critical facilities shall be located so that the lowest floor is not less than two feet above the Base Flood Elevation (BFE), or the 0.2% annual chance flood elevation, whichever is higher.

Table 1. Summary of Permitting Requirements for Structures

Structure Type	Floodway	Flood Fringe	Standards*
Accessory Structures – on fill	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(2)
Accessory Structures – Alt. Elevation Methods	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(3)
Accessory Structures – Wet Floodproofing	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(1)
Accessory Structures – Dry (watertight) Floodproofing	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(4)
Residential			
Residential – on fill	Not allowed	Allowed with Permit	6.21.A
Residential – Alt. Elevation Methods	Not allowed	Allowed with CUP	6.41
Residential – Dry (watertight) Floodproofing and/or Basement Construction below RFPE	Not allowed	Not allowed	N/A
Non-Residential			
Non-Residential – on fill	Not allowed	Allowed with Permit	6.22.A
Non-Residential – Alt. Elevation Methods	Not allowed	Allowed with Permit	6.22.B
Non-Residential – Dry (watertight) Floodproofing and/or Basement Construction below RFPE	Not allowed	Allowed with Permit	6.22.C

**Note - many of these standards are cross-referenced*

SECTION 5.0 FLOODWAY DISTRICT

- 5.1 **Permitted Uses in Floodway.** Development allowed in the floodway district is limited to that which has low flood damage potential and will not obstruct flood flows, increase velocities, or increase the water surface elevations of the one-percent annual chance flood. The following uses and activities may be allowed with a permit, subject to the standards in Section 5.2:
 - 5.11 Agricultural uses, recreational uses, parking lots, loading areas, airport landing strips, water control structures, navigational facilities, as well as public open space uses.
 - 5.12 Roads, driveways, railroads, trails, bridges, and culverts.
 - 5.13 Public utility facilities and water-oriented industries which must be in or adjacent to watercourses.
 - 5.14 Grading, filling, land alterations, and shoreline stabilization projects.
 - 5.15 No structures, as defined in Section 2.0, are allowed in the Floodway District, except structures accessory to the uses detailed in Sections 5.11 and 5.31, which require a CUP under Section 5.32.
 - 5.16 Levees or dikes intended to protect agricultural crops, provided the top of the dike does not exceed the 10-percent annual chance flood event.
- 5.2 **Standards for Permitted Uses in Floodway.** In addition to the applicable standards detailed in Section 4.0:
 - 5.21 The applicant must demonstrate that the development will not result in any of the following during the one-percent annual chance flood: cause a stage increase of 0.00 feet or greater, obstruct flood flows, or increase velocities. This shall be demonstrated through hydrologic and hydraulic analysis performed by a professional

engineer or using other standard engineering practices (e.g. projects that restore the site to the previous cross-sectional area). This is commonly documented through a “no-rise certification.”

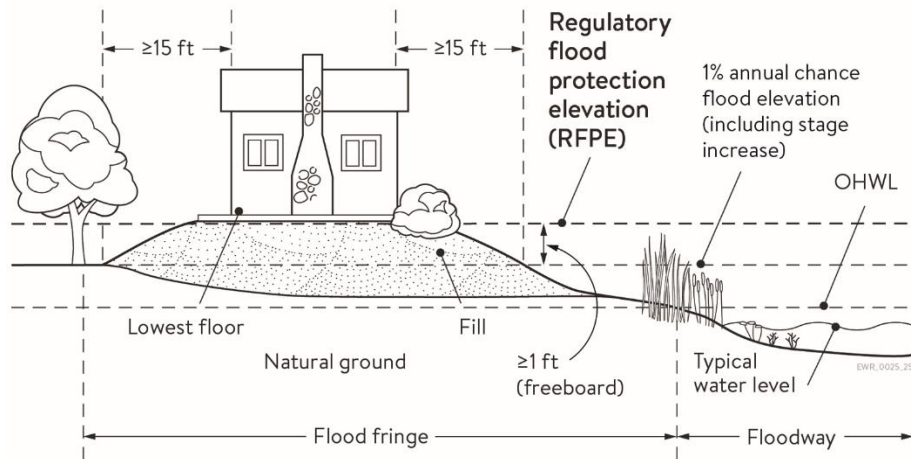
Item 21.

- 5.22 Any development that would result in a stage increases greater than 0.00 feet may only be allowed with a permit if the applicant has applied for and received approval for a Conditional Letter of Map Revision (CLOMR) in accordance with 44 CFR § 65.12. Map revisions must follow the procedures in Sections 11.15 and 14.0.
 - 5.23 Any development resulting in decreases to the water surface elevation of the base flood identified in the Flood Insurance Study requires a Letter of Map Revision (LOMR) following the procedures in Sections 11.15 and 14.0.
 - 5.24 Any development in the beds of public waters that will change the course, current or cross section is required to obtain a public waters work permit in accordance with Minnesota Statutes, section 103G.245 or a utility crossing license in accordance with Minnesota Statutes, section 84.415, from the Department of Natural Resources, or demonstrate that no permit is required, before applying for a local permit.
 - 5.25 Any facility used by employees or the general public must be designed with a flood warning system acceptable to the Zoning Administrator that provides adequate time for evacuation or be designed to ensure that within the area inundated during the base flood event, the depth (in feet) multiplied by the velocity (in feet per second) is less than four.
 - 5.26 Fill and other land alteration activities must offer minimal obstruction to the flow of flood waters and be protected from erosion and sediment entering surface waters by the use of vegetative cover, riprap or other methods as soon as possible.
- 5.3 **Conditional Uses in Floodway.** The following uses and activities may be permitted as conditional uses, subject to the standards detailed in Sections 5.4:
- 5.31 Commercial extractive uses, and storage and stockpiling yards.
 - 5.32 Structures accessory to uses detailed in Sections 5.11 and 5.31.
- 5.4 **Standards for Conditional Uses in Floodway.** In addition to the applicable standards detailed in Sections 4.0, 5.2 and 11.2:
- 5.41 Extractive uses and storage of materials require the completion of a site development and restoration plan, to be approved by the City of Grand Rapids.
 - 5.42 Accessory Structures. Structures accessory to the uses detailed in Sections 5.11 and 5.31 must be constructed and placed so as to offer a minimal obstruction to the flow of flood waters and are subject to the standards in Section 6.23 of this ordinance.

SECTION 6.0 FLOOD FRINGE DISTRICT

- 6.1 **Permitted Uses in Flood Fringe.** Any uses or activities allowed in any applicable underlying zoning districts may be allowed with a permit, subject to the standards set forth in Sections 6.2.
- 6.2 **Standards for Permitted Uses in Flood Fringe.** In addition to the applicable standards detailed in Section 4.0:
 - 6.21 Residential Structures.
 - A. Elevation on Fill. Structures erected, constructed, reconstructed, altered, or moved on fill within the Flood Fringe District shall be placed so that the lowest floor, as defined in Section 2.0 of this ordinance, is elevated at or above the Regulatory Flood Protection Elevation (RFPE). The finished fill elevation shall be at or above the elevation associated with the base flood plus any stage increases that result from designation of a floodway. Fill must extend at the same elevation at least 15 feet beyond the outside limits of the structure. Elevations must be certified by a registered professional engineer, land surveyor or other qualified person designated by the Zoning Administrator. Elevation methods alternative to these fill standards are subject to a Conditional Use Permit, as provided in Section 6.31 of this ordinance (Figure 2). Construction of this type shall only be permitted in locations where the natural ground is no lower than three feet below the base flood elevation.

Figure 2: Overview of fill standards for residential structures.



6.22 Nonresidential Structures. Nonresidential structures must meet one of the following construction methods:

- A. Elevation on Fill. Structures may be elevated on fill, meeting the standards in Section 6.21.A of this ordinance. Fill for nonresidential structures is not required to be extended 15 feet beyond the outside limits of the structure.
- B. Alternative Elevation Methods. Structures may be elevated using methods alternative to the fill standards in Section 6.21.A of this ordinance. Such methods include the use of blocks, pilings (Figure 3), filled stem walls (Figure 4), or internally flooded enclosed areas (Figure 5) such as crawl spaces, attached garages, or tuck under garages.

Figure 3: Blocks or pilings.

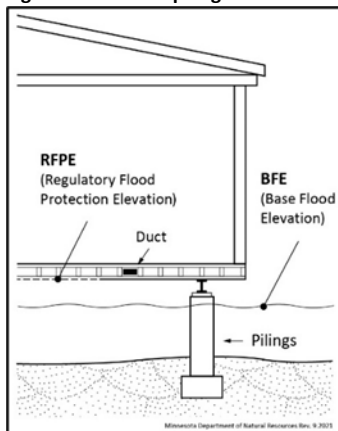


Figure 4: Filled stem walls.

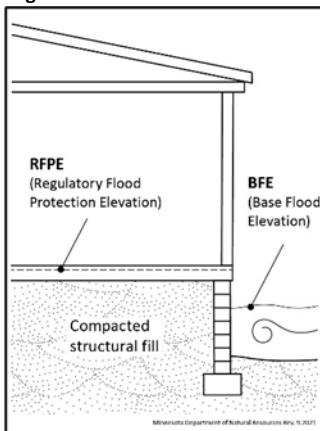
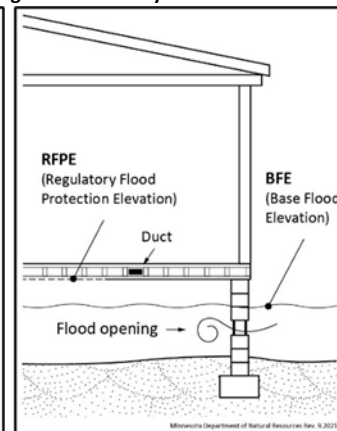


Figure 5: Internally flooded enclosed area.



Designs accommodating for internally flooded enclosed areas must be certified by a registered professional engineer or architect, or meet or exceed the standards detailed in *FEMA Technical Bulletin 1*, as amended, as well as the following standards:

- (1) The lowest floor, as defined in Section 2.0 of this ordinance, shall be elevated at or above the Regulatory Flood Protection Elevation (RFPE).
- (2) The floor of the enclosed area must be at or above the exterior grade on at least one side of the structure.
- (3) To allow for the equalization of hydrostatic pressure, there shall be a minimum of two openings below the base flood elevation on at least two sides of the structure. The bottom of all openings shall be no higher than one foot above grade. The openings shall have a minimum net area of not less than one square inch for every square foot of enclosed area subject to flooding, have a net area of not less than one square inch for every square foot of enclosed area subject to flooding, and shall allow automatic entry and exit of floodwaters without human intervention.

- (4) Internally flooded enclosed areas shall only be used for the parking of vehicles, building access, or storage. Bathrooms and toilet rooms shall not be allowed. Such areas shall be subject to a deed-restricted no conversion agreement as well as periodic inspections with the issuance of any permit.

C. **Dry Floodproofing.** Structures having watertight enclosed basements or spaces below the Regulatory Flood Protection Elevation (RFPE) must meet the following standards:

- (1) Walls must be substantially impermeable to the passage of water, with structural components having the capacity of resisting hydrostatic and hydrodynamic loads and effects of buoyancy, at least up to the Regulatory Flood Protection Elevation (RFPE);
- (2) Must meet the standards of FEMA Technical Bulletin 3, as amended; and
- (3) A registered professional engineer or architect shall be required to certify that the design and methods of construction meet the standards detailed in this Section.

6.23 **Accessory Structures.** All accessory structures must meet the following standards:

- A. Structures shall not be designed or used for human habitation.
- B. Structures will have a low flood damage potential.
- C. Structures shall constitute a minimal investment not to exceed 576 square feet in size, one-story in height, and shall only be used for parking and storage, except as provided under Section 6.23.E.
- D. Structures with two or more rigid walls, must meet one of the following construction methods:
- (1) **Wet Floodproofing.** Structures may be floodproofed in a way to accommodate internal flooding. To allow for the equalization of hydrostatic pressure, there shall be a minimum of two openings on at least two sides of the structure and the bottom of all openings shall be no higher than one foot above grade. The openings shall have a minimum net area of not less than one square inch for every square foot of enclosed area subject to flooding and shall allow automatic entry and exit of floodwaters without human intervention.
- (2) **Elevation on Fill.** Structures may be elevated on fill, meeting the standards in Section 6.21.A of this ordinance. Fill is not required to be extended 15 feet beyond the outside limits of the structure.
- (3) **Alternative Elevation Methods.** Structures may have their lowest floor elevated above the Regulatory Flood Protection Elevation (RFPE) through methods alternative to the fill standards in Section 6.23.D(2), and must meet the standards in Section 6.22.B of this ordinance.
- (4) **Dry Floodproofing.** Structures may be dry-floodproofed, or watertight, meeting the standards in Section 6.22.C of this ordinance.
- E. Structures with fewer than two rigid walls, such as carports, gazebos, and picnic pavilions, may be located at an elevation below the Regulatory Flood Protection Elevation, exceed 576 square feet in size, and may include uses as provided under Section 6.1

6.24 All new principal structures must provide vehicular access no lower than one foot below the Base Flood Elevation (BFE), unless a flood warning/emergency evacuation plan has been approved by the City of Grand Rapids.

6.25 Any facilities used by employees or the general public must be designed with a flood warning system acceptable to the City of Grand Rapids that provides adequate time for evacuation or be designed to ensure that within the area inundated during the base flood event, the depth (in feet) multiplied by the velocity (in feet per second) is less than four.

6.26 Manufactured homes and recreational vehicles must meet the standards of Section 10 of this ordinance.

6.3 **Conditional Uses in Flood Fringe.** The following uses and activities may be permitted as conditional uses, subject to the standards in Sections 6.4:

6.31 **Alternative Elevation Methods – Residential Structures.** Residential structures with their lowest floor elevated above the Regulatory Flood Protection Elevation (RFPE) using methods alternative to the fill requirements in Section 6.21.

6.4 **Standards for Conditional Uses in Flood Fringe.** In addition to the applicable standards detailed in Sections 4.0, 6.11.2:

- 6.41 All residential structures with lowest floors elevated through alternative elevation methods must meet the standards in Section 6.22.B of this ordinance.

SECTION 7.0 GENERAL FLOODPLAIN DISTRICT

7.1 Permitted Uses in General Floodplain District

- 7.11 Until the floodway is delineated, allowable uses will be restricted to those listed in the Floodway District, Section 5.0
- 7.12 All other uses are subject to a floodway/flood fringe determination as provided in Section 7.4, in addition to the standards provided in Sections 7.2 and 7.3. Permitted uses shall be determined as follows:
- A. If the development is determined to be in the Floodway District, Section 5.0 applies.
 - B. If the development is determined to be in the Flood Fringe District, Section 6.0 applies.

7.2 Determining Flood Elevations

- 7.21 All development requires a determination of the Base Flood Elevation (BFE). Exceptions to this requirement include projects that restore the site to the previous cross-sectional area, such as shore stabilization or culvert replacement projects. Base Flood Elevations (BFE) may be found using best available data from any Federal, State, or other source (including MNDNR's Lake & Flood Elevations Online (LFEO) Viewer).

7.3 Encroachment Analysis

- 7.31 Encroachments due to development may not allow stage increases more than one-half (0.5) foot at any point, unless through a map revision following the procedures in Sections 11.15 and 14.0. This evaluation must include the cumulative effects of previous encroachments and must be documented with hydrologic and hydraulic analysis performed by a professional engineer, or using other standard engineering practices. A lesser water surface elevation increase than one-half (0.5) foot is required if, due to the water surface level increase, increased flood damages would potentially result.
- 7.32 Alterations or changes that result in stage decreases are allowed and encouraged.

7.4 Standards for the Analysis of Floodway Boundaries

- 7.41 Requirements for Detailed Studies. Any development, as requested by the Zoning Administrator, shall be subject to a detailed study to determine the limits of the Floodway District. This determination must be consistent with the minimum standards for hydrologic and hydraulic mapping standards and techniques, as detailed in Minnesota Rules, part 6120.5600, Subp. 4 and *FEMA Guidelines and Standards for Flood Risk Analysis and Mapping*, as revised. Additionally:
- A. A regulatory floodway necessary to carry the discharge of the one-percent annual chance flood must be selected without increasing the water surface elevation more than one-half (0.5) foot at any point. This determination should include the cumulative effects of previous encroachments. A lesser water surface elevation increase than one-half (0.5) foot is required if, due to the water surface level increase, increased flood damages would potentially result; and
 - B. An equal degree of encroachment on both sides of the stream within the reach must be assumed in computing floodway boundaries, unless topography, existing development patterns, and comprehensive land use plans justify a modified approach, as approved by the Department of Natural Resources.
- 7.42 Other Acceptable Methods. For areas where a detailed study is not available or required:
- A. Development prohibited in floodways (e.g. most buildings) requires a floodway/flood fringe determination to verify the development is within the flood fringe. This determination must be done by a professional engineer or utilize other accepted engineering practices. The Department of Natural Resources may also provide technical assistance and must approve any alternative methods used to determine floodway boundaries.

SECTION 8.0 SUBDIVISION STANDARDS

Item 21.

- 8.1 **Subdivisions.** All subdivided land must meet the following requirements. Manufactured home parks and recreational vehicle parks or campgrounds are considered subdivisions under this ordinance.
- 8.11 All lots within floodplain districts must be suitable for a building site outside of the Floodway District.
- 8.12 Subdivision of lands within the floodplain districts may not be approved if the cost of providing governmental services would impose an unreasonable economic burden on the City of Grand Rapids.
- 8.13 All subdivisions must have vehicular access both to the subdivision and to the individual building sites no lower than two feet below the Regulatory Flood Protection Elevation (RFPE), unless a flood warning/emergency evacuation plan has been approved by the City of Grand Rapids.
- 8.14 The Floodway and Flood Fringe District boundaries, the Regulatory Flood Protection Elevation (RFPE) and the required elevation of all access roads must be clearly identified on all required subdivision drawings and platting documents.

SECTION 9.0 PUBLIC AND PRIVATE UTILITIES, SERVICE FACILITIES, ROADS, BRIDGES, AND RAILROADS

- 9.1 **Public Transportation Facilities.** Railroad tracks, roads, and bridges must be elevated to the Regulatory Flood Protection Elevation (RFPE) where such facilities are essential to the orderly functioning of the area, or where failure or interruption would result in danger to public health or safety. Minor or auxiliary roads or railroads may be constructed at a lower elevation where failure or interruption of transportation services would not endanger the public health or safety. All public transportation facilities should be designed to minimize increases in flood elevations.
- 9.2 **Public Utilities.** All utilities such as gas, electrical, sewer, and water supply systems to be located in the floodplain must be elevated and/or floodproofed to the Regulatory Flood Protection Elevation (RFPE), be located and constructed to minimize or eliminate flood damage and be designed to eliminate infiltration of flood waters into the systems and discharges from the systems into flood waters. All public utilities should be designed to minimize increases in flood elevations. New solid waste management facilities, as defined in Minnesota Rules, part 7035.0300, are prohibited in the one-percent annual chance floodplain. Water supply systems are subject to the provisions in Minnesota Rules, part 4725.4350.
- 9.3 **Private On-Site Water Supply, Individual Sewage Treatment Systems, and other Service Facilities.** Private facilities shall be subject to applicable provisions detailed in Section 9.2. In addition, new or replacement on-site sewage treatment systems are to be located to avoid impairment to them or contamination from them during times of flooding, shall not be located in a designated floodway, and are subject to the provisions in Minnesota Rules, parts 7080.2270.

SECTION 10.0 MANUFACTURED HOMES AND RECREATIONAL VEHICLES

- 10.1 **Manufactured Homes.** Manufactured homes and manufactured home parks are subject to applicable standards for each floodplain district. In addition:
- 10.11 New and replacement manufactured homes must be placed and elevated in compliance with Section 6.0 of this ordinance and must be securely anchored to a system that resists flotation, collapse and lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors.
- 10.12 New manufactured home parks and expansions to existing manufactured home parks must meet the appropriate standards for subdivisions in Section 8.0 of this ordinance.
- 10.2 **Recreational Vehicles.** New recreational vehicle parks or campgrounds and expansions to existing recreational vehicle parks or campgrounds are prohibited in any floodplain district. Recreational vehicles placed in existing recreational vehicle parks, campgrounds or lots of record in the floodplain must either:
- 10.21 Meet the requirements for manufactured homes in Section 10.1, or
- 10.22 Be travel ready, meeting the following criteria:
- A. The vehicle must be fully licensed.
- B. The vehicle must be ready for highway use, meaning on wheels or the internal jacking system, attached to the site only by quick disconnect type utilities.
- C. No permanent structural type additions may be attached to the vehicle.

- D. Accessory structures may be permitted in the Flood Fringe District, provided they do not hinder the removal of the vehicle should flooding occur, and meet the standards outlined in Sections 4.0 and 6.23.

Item 21.

SECTION 11.0 ADMINISTRATION

11.1 **Duties.** A Zoning Administrator or other official must administer and enforce this ordinance.

11.11 **Permit Application Requirements.** Permit applications must be submitted to the Zoning Administrator. The permit application must include the following, as applicable:

- A. A site plan showing all existing or proposed buildings, structures, service facilities, potential obstructions, and pertinent design features having an influence on the permit.
- B. Location and detail of grading, fill, or storage of materials.
- C. Copies of any required local, state or federal permits or approvals.
- D. Other relevant information requested by the Zoning Administrator as necessary to properly evaluate the permit application.

11.12 **Recordkeeping.** The Zoning Administrator must maintain applicable records in perpetuity documenting:

- A. All certifications for dry floodproofing and alternative elevation methods, where applicable.
- B. Analysis of no-rise in the Floodway District, as detailed in Section 5.21, and encroachment analysis ensuring no more than one-half foot of rise in the General Floodplain District, as detailed in Sections 7.22 and 7.31.
- C. Final elevations, as applicable, detailing the elevation to which structures and improvements to structures are constructed or floodproofed. Elevations shall be determined by an engineer, architect, surveyor or other qualified individual, as approved by the Zoning Administrator.
- D. Substantial damage and substantial improvement determinations, as detailed in Section 12.13, including the cost of improvements, repairs, and market value.
- E. All variance actions, including justification for their issuance, and must report such variances as requested by the Federal Emergency Management Agency.

11.13 **Certificate of Zoning Compliance for a New, Altered, or Nonconforming Use.** No building, land or structure may be occupied or used in any manner until a certificate of zoning compliance has been issued by the Zoning Administrator stating that the finished fill and building floor elevations or other flood protection measures are in compliance with the requirements of this ordinance.

11.14 **Notifications for Watercourse Alterations.** Before authorizing any alteration or relocation of a river or stream, the Zoning Administrator must notify adjacent communities. If the applicant has applied for a permit to work in public waters in accordance with Minnesota Statutes, Section 103G.245, this will suffice as adequate notice. A copy of the notification must also be submitted to FEMA.

11.15 **Notification to FEMA When Physical Changes Increase or Decrease Base Flood Elevations.** Where physical changes affecting flooding conditions may increase or decrease the water surface elevation of the base flood, the City of Grand Rapids must notify FEMA of the changes in order to obtain a Letter of Map Revision (LOMR), by submitting a copy of the relevant technical or scientific data as soon as practicable, but no later than six months after the date such supporting information becomes available. Within the General Floodplain District, a map revision is only required if development results in stage increases greater than 0.5 feet.

11.2 Conditional Uses and Variances

11.21 **Process.**

- A. An application for a conditional use permit will be processed and reviewed in accordance with the provisions of this ordinance.
- B. An application for a variance to the provisions of this ordinance will be processed and reviewed in accordance with Minnesota Statutes, Section 462.357, Subd. 6(2) and this ordinance.

11.22 **Additional Variance Criteria.** The following additional variance criteria must be satisfied:

- A. Variances must not be issued within any designated regulatory floodway if any increase in flood levels due to the base flood discharge would result.
- B. Variances from the provisions of this ordinance may only be issued by a community upon:
 - (1) A showing of good and sufficient cause;
 - (2) A determination that failure to grant the variance would result in exceptional hardship to the applicant; and
 - (3) A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.
- C. Variances from the provisions in this ordinance may only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.
- D. Variances must be consistent with the general purpose of these standards and the intent of applicable provisions in state and federal law.
- E. Variances may be used to modify permissible methods of flood protection, but no variance shall permit a lesser degree of flood protection than the Regulatory Flood Protection Elevation (RFPE).
- F. The Zoning Administrator must notify the applicant for a variance in writing that:
 - (1) The issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage; and
 - (2) Such construction below the base flood level increases risks to life and property. Notification must be maintained with a record of all variance actions.

11.23 Considerations for Approval. The City of Grand Rapids must consider all relevant factors specified in other sections of this ordinance in granting variances and conditional use permits, including the following:

- A. The potential danger to life and property due to increased flood heights or velocities caused by encroachments.
- B. The danger that materials may be swept onto other lands or downstream to the injury of others.
- C. The safety of access to the property in times of flood for ordinary and emergency vehicles.

11.24 Conditions of Approval. The City of Grand Rapids may attach such conditions to the granting of variances and conditional use permits as it deems necessary to fulfill the purposes of this ordinance. Such conditions may include, but are not limited to, the following:

- A. Limitations on period of use, occupancy, and operation.
- B. Imposition of operational controls, sureties, and deed restrictions.
- C. The prevention of soil erosion or other possible pollution of public waters, both during and after construction.
- D. Other conditions as deemed appropriate by the Zoning Administrator and the City of Grand Rapids.

11.3 Notifications to the Department of Natural Resources

11.31 All notices of public hearings to consider variances or conditional uses under this ordinance must be sent via electronic mail to the Department of Natural Resources respective area hydrologist at least ten (10) days before the hearings. Notices of hearings to consider subdivisions/plats must include copies of the subdivision/plat.

11.32 A copy of all decisions granting variances and conditional uses under this ordinance must be sent via electronic mail to the Department of Natural Resources respective area hydrologist within ten (10) days of final action.

SECTION 12.0 NONCONFORMITIES

12.1 **Continuance of Nonconformities.** A use, structure, or occupancy of land which was lawful before the passage or amendment of this ordinance, but which is not in conformity with the provisions of this ordinance, may be continued subject to the following conditions:

- 12.11 Within the floodway and general floodplain districts (when a site has been determined to be located in the floodway following the procedures in Section 7.3, or when the floodway has not been delineated), any expansion or enlargement of uses or structures is prohibited.
- 12.12 Within all districts, any addition, modification, rehabilitation, repair, or alteration shall be in conformance with the provisions of this ordinance, shall not increase the flood damage potential or increase the degree of obstruction to flood flows, and where applicable, must be protected to the Regulatory Flood Protection Elevation (RFPE).
- 12.13 If any nonconforming structure is determined to be substantially damaged or substantially improved based on the procedures in Section 12.2, it may not be reconstructed except in conformity with the provisions of this ordinance. Any structures located outside the one-percent annual chance floodplain are exempt from this provision.
- 12.14 If any nonconforming use, or any use of a nonconforming structure, is discontinued for more than one year, any future use of the premises must conform to this ordinance.
- 12.15 If any nonconforming structure has utilities, electrical, or mechanical equipment damaged due to flooding, it must be rebuilt in conformance with the elevation requirements in Section 4.31.D to the greatest extent practicable. This requirement shall apply regardless of the determinations made in Section 12.2.

12.2 Substantial Improvement and Substantial Damage Determinations. Prior to issuing any permits for additions, modifications, rehabilitations, repairs, alterations, or maintenance to nonconforming structures, the Zoning Administrator is required to determine if such work constitutes substantial improvement or repair of a substantially damaged structure. A determination must be made in accordance with the following procedures:

- 12.21 Estimate the market value of the structure. In the case of repairs, the market value of the structure shall be the market value before the damage occurred and before any restoration or repairs are made.
- 12.22 Estimate the cost of the project. The property owner shall accommodate for inspection, and furnish other documentation needed by the zoning administrator to evaluate costs.
- A. Improvement costs shall be comprised of the market rate of all materials and labor, as well as the costs of all ordinary maintenance and upkeep carried out over the past one year.
- B. Costs to repair damages shall be comprised of the market rate of all materials and labor required to restore a building to its pre-damaged condition regardless of the work proposed, as well as associated improvement costs if structure is being restored beyond its pre-damaged condition.
- 12.23 Compare the cost of the improvement, repairs, or combination thereof to the estimated market value of the structure and determine whether the proposed work constitutes substantial improvement or repair of a substantially damaged structure, as defined in Section 2.0 of this ordinance.
- A. For the purposes of determining whether the proposed work would constitute substantial improvement, the evaluation shall also include all rehabilitations, additions, or other improvements completed since the community has adopted floodplain standards impacting this structure.
- B. If any nonconforming structure experiences a repetitive loss, as defined in Section 2.0 of this ordinance, it shall be considered substantially damaged and must not be reconstructed except in conformity with the provisions of this ordinance.
- 12.24 Based on this determination, the zoning administrator shall prepare a determination letter and notify the property owner accordingly. Structures determined to be substantially damaged or substantially improved may not be reconstructed except in conformity with the provisions of this ordinance.

SECTION 13.0 VIOLATIONS AND PENALTIES

- 13.1 **Uses in Violation of the Ordinance.** Every structure, fill, deposit, or other use placed or maintained in the floodplain in violation of this ordinance shall be considered a public nuisance.
- 13.2 **Civil Remedies.** The creation of a public nuisance may be enjoined and the maintenance of a public nuisance under this ordinance may be abated by an action brought by the City of Grand Rapids or the Department of Natural Resources.
- 13.3 **Enforcement.** Violations of the provisions of this ordinance constitutes a misdemeanor and is punishable as defined by law. The Zoning Administrator may utilize the full array of enforcement actions available to it including but not limited

prosecution and fines, injunctions, after-the-fact permits, orders for corrective measures or a request to the National Flood Insurance Program for denial of flood insurance. The City of Grand Rapids must act in good faith to enforce its official controls and to correct ordinance violations to the extent possible so as not to jeopardize its eligibility in the National Flood Insurance Program.

Item 21.

SECTION 14.0 AMENDMENTS

- 14.1 **Ordinance Amendments.** Any revisions to the floodplain maps by the Federal Emergency Management Agency or annexations of new map panels require an ordinance amendment to update the map references in Section 3.2 of this ordinance.
- 14.2 **Required Approval.** All amendments to this ordinance must be submitted to the Department of Natural Resources for review and approval prior to adoption, for compliance with state and federal rules and requirements. The floodplain ordinance shall not be considered valid until approved.

EFFECTIVE DATE: This ordinance shall be in full force and effect from and after its passage and approval.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider the recommendation of the Planning Commission regarding the adoption of an ordinance, amending Division 12 (Floodplain Restrictions) within Chapter 30 Land Development Regulations.

PREPARED BY: Dan Swenson, Assistant Community Development Director

BACKGROUND:

After the public hearing on this matter, the City Council will 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, and adopt the ordinance as prepared, or the Council can make its own findings to support its reasons for approving or denying the text amendment.

REQUESTED COUNCIL ACTION:

Consider a motion to adopt an ordinance, amending Division 12 (Floodplain Restrictions) within Chapter 30 Land Development Regulations.

ORDINANCE NO. 25-__

**AN ORDINANCE AMENDING DIVISION 12 (FLOODPLAIN RESTRICTIONS) WITHIN CHAPTER 30
LAND DEVELOPMENT REGULATIONS**

WHEREAS, from time to time, the City of Grand Rapids deems it important to review, and update, if necessary, its Zoning Ordinance (Land Development Regulations); and

WHEREAS, at their meeting on February 6, 2025, the Grand Rapids Planning Commission initiated the process to update and amend Division 12 (Floodplain Restrictions) of the Zoning Ordinance (Land Development Regulations) identified by city staff; and

WHEREAS, the Planning Commission on February 6, 2025, took up consideration of draft amendment to Chapter 30 of the City Code, as prepared by staff, and found that amendments were consistent with the Comprehensive Plan and would be in the best interest of the public's health, safety, and general welfare, and recommended that the City Council adopt the draft amendment to Division 12 (Floodplain Restrictions) of Chapter 30 of the City Code; and

WHEREAS, the City Council conducted a public hearing on Monday, February 10, 2025, at 5:00 p.m., to consider the amendments to Chapter 30; and

WHEREAS, the City Clerk presented the affidavit of publication of the notice of the public hearing; and

WHEREAS, the City Council has heard all persons who wished to be heard regarding the proposed text amendments.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA, that it adopts the Planning Commission's following findings of fact relative to the amendment to Chapter 30 Land Development Regulations, of the City Code:

- The amendment will not have an adverse effect on the character of neighborhoods. It will have a positive effect in that it will allow the city to continue to participate in the National Flood Insurance (NFIP) program.
- The amendment would foster economic development because the amendment complies with the state floodplain management rules.
- That the amendment would be in keeping with the spirit and intent of the Zoning Ordinance by being consistent with state flood plain management rules.
- That the amendment would be in the best interest of the public by allowing continuing participation in the NFIP program.
- That the amendment would be consistent with the Comprehensive Plan, as the amendment will allow the city to comply with floodplain management standards of the Federal Emergency Management Agency.

NOW, THEREFORE, BE IT FURTHER RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA, that the amendments to the City Code are in the best interest of the public's health, safety, and general welfare, and hereby ordains that the Grand Rapids City Code be amended as follows: *See Exhibit "1"*

This Ordinance shall become effective after its passage and publication.

ADOPTED AND PASSED BY THE City Council of the City of Grand Rapids on the 10th day of February 2025.

Tasha Connelly, Mayor

Attest:

Kim Gibeau, City Clerk

Councilmember _____ seconded the foregoing ordinance, and the following voted in favor thereof: _____. Opposed: _____, whereby the ordinance was declared duly passed and adopted.

FLOODPLAIN RESTRICTIONS – DIVISION 12 OF ZONING ORDINANCE

Floodplain Ordinance

This ordinance has been developed to be consistent with Minnesota Statutes, Chapter 103F, Minnesota Rules, parts 6120.500 – 6120.6200; 44 CFR § 59 to 78; Federal Emergency Management Agency (FEMA) technical bulletins and policies; as well as other state agency statutes and rules.

Contents

SECTION 1.0 STATUTORY AUTHORIZATION AND PURPOSE 2

SECTION 2.0 DEFINITIONS 2

SECTION 3.0 JURISDICTION AND DISTRICTS 5

SECTION 4.0 REQUIREMENTS FOR ALL FLOODPLAIN DISTRICTS 6

SECTION 5.0 FLOODWAY DISTRICT 7

SECTION 6.0 FLOOD FRINGE DISTRICT 8

SECTION 7.0 GENERAL FLOODPLAIN DISTRICT 11

SECTION 8.0 SUBDIVISION STANDARDS 12

SECTION 9.0 PUBLIC AND PRIVATE UTILITIES, SERVICE FACILITES, ROADS, BRIDGES, AND RAILROADS 12

SECTION 10.0 MANUFACTURED HOMES AND RECREATIONAL VEHICLES 12

SECTION 11.0 ADMINISTRATION 13

SECTION 12.0 NONCONFORMITIES 14

SECTION 13.0 VIOLATIONS AND PENALTIES 15

SECTION 14.0 AMENDMENTS 16

SECTION 1.0 STATUTORY AUTHORIZATION AND PURPOSE

Item 22.

- 1.1 **Statutory Authorization.** This floodplain ordinance is adopted pursuant to the authorization and policies contained in Minnesota Statutes, Chapter 103F; Minnesota Rules, parts 6120.5000 – 6120.6200; the rules and regulations of the National Flood Insurance Program (NFIP) in 44 CFR § 59 to 78; and the planning and zoning enabling legislation in Minnesota Statutes, Chapter 462.
- 1.2 **Purpose**
- 1.21 This ordinance regulates development in the flood hazard areas of the City of Grand Rapids. These flood hazard areas are subject to periodic inundation, which may result in loss of life and property, health and safety hazards, disruption of commerce and governmental services, extraordinary public expenditures for flood protection and relief, and impairment of the tax base. It is the purpose of this ordinance to promote the public health, safety, and general welfare by minimizing these losses and disruptions.
- 1.22 This ordinance is adopted in the public interest to promote sound land use practices, and floodplains are a land resource to be developed in a manner which will result in minimum loss of life and threat to health, and reduction of private and public economic loss caused by flooding.
- 1.23 This ordinance is adopted to maintain eligibility in the National Flood Insurance Program.
- 1.24 This ordinance is also intended to preserve the natural characteristics and functions of watercourses and floodplains to moderate flood and stormwater impacts, improve water quality, reduce soil erosion, protect aquatic and riparian habitat, provide recreational opportunities, provide aesthetic benefits and enhance community and economic development.
- 1.3 **Abrogation and Greater Restrictions.** It is not intended by this ordinance to repeal, abrogate, or impair any existing easements, covenants, or other private agreements. The standards in this ordinance take precedence over any less restrictive, conflicting local laws, ordinances, or codes. All other ordinances inconsistent with this ordinance are hereby repealed to the extent of the inconsistency only.
- 1.4 **Warning and Disclaimer of Liability.** This ordinance does not imply that areas outside the floodplain districts or land uses permitted within such districts will be free from flooding or flood damages. Not all flood risk is mapped. Larger floods do occur, and the flood height may be increased by man-made or natural causes, such as ice jams or bridge openings restricted by debris. This ordinance does not create liability on the part of the City of Grand Rapids or its officers or employees for any flood damages that result from reliance on this ordinance, or any administrative decision lawfully made hereunder.
- 1.5 **Severability.** If any section, clause, provision, or portion of this ordinance is adjudged unconstitutional or invalid by a court of law, the remainder of this ordinance shall not be affected and shall remain in full force.

SECTION 2.0 DEFINITIONS

- 2.1 **Definitions.** Unless specifically defined, words or phrases used in this ordinance must be interpreted according to common usage and to give this ordinance its most reasonable application.
- 2.111 Accessory Structure. A structure, as defined in this ordinance, that is on the same parcel of property as, and is incidental to, the principal structure or use; an accessory structure specifically excludes structures used for human habitation.
- 2.112 Base Flood. The flood having a one-percent chance of being equaled or exceeded in any given year. "Base flood" is synonymous with the term "regional flood" used in Minnesota Rules, part 6120.5000.
- 2.113 Base Flood Elevation (BFE). The elevation of the base flood, regional flood, or one-percent annual chance flood. The term "base flood elevation" is used in the flood insurance study.
- 2.114 Basement. Any area of a structure, including crawl spaces, having its floor subgrade (below ground level) on all sides, regardless of the depth of excavation below ground level.
- 2.115 Building. See *Structure*.
- 2.116 Channel. A natural or artificial depression of perceptible extent, with definite bed and banks to confine and conduct flowing water either continuously or periodically.

- 2.117 Conditional Use. A land use or development that would not be appropriate generally but may be allowed upon appropriate restrictions upon a finding that certain conditions as detailed in the zoning ordinance exist, the use or development conforms to the comprehensive land use plan of the community, and the use is compatible with the existing neighborhood.
- 2.118 Critical Facilities. Buildings and structures that contain essential facilities and services necessary for emergency response and recovery, or that pose a substantial risk to the public in the event of failure, disruption of function, or damage by flooding. Specifically, this includes facilities identified as Flood Design Class 4 in *ASCE 24-14, Flood Resistant Design and Construction*, as amended. Examples include health care facilities, facilities required for emergency response, power generating stations, communications towers, or electrical substations.
- 2.119 Development. Any man-made change to improved or unimproved real estate, including, but not limited to buildings or other structures, mining, dredging, filling, grading, paving, excavation or drilling operations, or storage of equipment or materials.
- 2.120 Equal Degree of Encroachment. A method of determining the location of floodway boundaries so that floodplain lands on both sides of a stream are capable of conveying a proportionate share of flood flows.
- 2.121 FEMA. Federal Emergency Management Agency.
- 2.122 Farm Fence. An open type of fence of posts and horizontally run wire, further specified in Minnesota Statutes, section 344.02, Subd. 1(a-d).
- 2.123 Flood. A temporary rise in the stream flow or water surface elevation from any source that results in the inundation of normally dry land areas.
- 2.124 Flood Fringe. The portion of the one-percent annual chance floodplain located outside of the floodway. This district shall be extended laterally to the 0.2-percent annual chance floodplain, where mapped.
- 2.125 Flood Insurance Rate Map (FIRM). An official map on which the Federal Insurance Administrator has delineated both the special flood hazard areas and the risk premium zones applicable to the community. A FIRM that has been made available digitally is called a Digital Flood Insurance Rate Map (DFIRM).
- 2.126 Flood Insurance Study (FIS). The study referenced in Section 3.2, which is an examination, evaluation and determination of flood hazards, and if appropriate, corresponding surface elevations, or an examination, evaluation, and determination of mudslide (i.e. mudflow) and/or flood-related erosion hazards.
- 2.127 Floodplain. The beds, channel and the areas adjoining a wetland, lake or watercourse, or other source which have been or hereafter may be inundated by the base flood.
- 2.128 Floodproofing. A combination of structural and non-structural additions, changes, or adjustments to properties and structures subject to flooding, primarily for the reduction or elimination of flood damages.
- 2.129 Floodway. The bed of a wetland or lake and the channel of a watercourse and those portions of the adjoining floodplain which must be reserved to carry or store the base flood discharge without cumulatively increasing the water surface elevation more than one-half foot.
- 2.130 General Floodplain. Those floodplains designated on the Flood Insurance Rate Maps referenced in Section 3.2, but that do not have a delineated floodway.
- 2.131 Light Duty Truck. Any motor vehicle that has all three of the following:
- A. 8,500 pounds Gross Vehicle Weight Rating or less;
 - B. vehicle curb weight of 6,000 pounds or less; and
 - C. basic vehicle frontal area less than 45 square feet.
- 2.132 Lowest Floor. The lowest floor of the lowest enclosed area (including basement). An unfinished or flood resistant enclosure, used solely for parking of vehicles, building access, or storage in an area other than a basement area, is not considered a building's lowest floor; provided, that such enclosure is not built so as to render the structure in violation of the applicable non-elevation design requirements of 44 CFR § 60.3.
- 2.133 Manufactured Home. A structure, transportable in one or more sections, which is built on a permanent chassis and is designed for use with or without a permanent foundation when attached to the required utilities. The term "manufactured home" does not include the term "recreational vehicle."

- 2.134 New Construction. Structures for which the start of construction commenced on or after the effective date adopted floodplain management regulation and includes any subsequent improvements to such structures
- 2.135 Principal Structure. The main building or other structure on a lot that is utilized for the property's principal use.
- 2.136 Reach. A hydraulic engineering term to describe a longitudinal segment of a stream or river influenced by a natural or man-made obstruction. In an urban area, the segment of a stream or river between two consecutive bridge crossings would most typically constitute a reach.
- 2.137 Recreational Vehicle. A vehicle that is built on a single chassis, is 400 square feet or less when measured at the largest horizontal projection, is designed to be self-propelled or permanently towable by a light duty truck and is designed primarily not for use as a permanent dwelling but as temporary living quarters for recreational, camping, travel, or seasonal use. Those vehicles not meeting this definition shall be considered a structure for the purposes of this ordinance. For the purposes of this ordinance, the term recreational vehicle is synonymous with the term "travel trailer/travel vehicle."
- 2.138 Regulatory Flood Protection Elevation (RFPE). An elevation that is two feet above the elevation of the base flood.
- 2.139 Repetitive Loss. Flood related damages sustained by a structure on two separate occasions during a ten-year period for which the cost of repairs at the time of each such flood event on the average equals or exceeds 25% of the market value of the structure before the damage occurred.
- 2.140 Stage Increase. Any increase in the water surface elevation during the one-percent annual chance flood caused by encroachments on the floodplain.
- 2.141 Start of Construction. Includes substantial improvement, and means the date the permit was issued, provided the actual start of construction, repair, reconstruction, rehabilitation, addition placement, or other improvement was within 180 days of the permit date. The actual start means either the first placement of permanent construction of a structure on a site, such as the pouring of slab or footings, the installation of piles, the construction of columns, or any work beyond the stage of excavation; or the placement of a manufactured home on a foundation. Permanent construction does not include land preparation, such as clearing, grading and filling; nor does it include the installation of streets and/or walkways; nor does it include excavation for a basement, footings, piers, foundations, or the erection of temporary forms; nor does it include the installation on the property of accessory buildings, such as garages or sheds not occupied as dwelling units or not part of the main structure. For a substantial improvement, the actual start of construction means the first alteration of any wall, ceiling, floor, or other structural part of a building, whether that alteration affects the external dimensions of the building.
- 2.142 Structure. A roofed building, including a gas or liquid storage tank, that is principally above ground, as well as a manufactured home. Recreational vehicles not considered travel ready, as detailed in Section 10.22, shall also be considered a structure for the purposes of this ordinance.
- 2.143 Subdivision. Land that has been divided for the purpose of sale, rent, or lease, including planned unit developments.
- 2.144 Substantial Damage. Damage of any origin sustained by a structure where the cost of restoring the structure to its before damaged condition would equal or exceed 50 percent of the market value of the structure before the damage occurred.
- 2.145 Substantial Improvement. Any reconstruction, rehabilitation, addition, or other improvement of a structure, the cost of which equals or exceeds 50 percent of the market value of the structure before the "start of construction" of the improvement. This term includes structures that have incurred "substantial damage," regardless of the actual repair work performed. The term does not, however, include either:
- A. Any project for improvement of a structure to correct existing violations of state or local health, sanitary, or safety code specifications which have been identified by the local code enforcement official and which are the minimum necessary to assure safe living conditions; or
 - B. Any alteration of a "historic structure," provided that the alteration will not preclude the structure's continued designation as a "historic structure." For this ordinance, "historic structure" is defined in 44 CFR § 59.1.

2.146 Variance. "Variance" means the same as that defined in 44 CFR § 59.1 and Minnesota Statutes, Section 46 Subd. 6(2).

2.147 Watercourse. A channel in which a flow of water occurs either continuously or intermittently in a definitive direction. The term applies to either natural or artificially constructed channels.

SECTION 3.0 JURISDICTION AND DISTRICTS

3.1 **Lands to Which Ordinance Applies.** This ordinance applies to all lands within the jurisdiction of the City of Grand Rapids within the boundaries of the Floodway, Flood Fringe and General Floodplain Districts.

3.11 The Floodway, Flood Fringe or General Floodplain Districts are overlay districts. The standards imposed in the overlay districts are in addition to any other requirements. In case of a conflict, the more restrictive standards will apply.

3.12 In addition to these regulations applying to all areas within the mapped areas referenced in section 3.2, they also apply to some areas beyond the mapped areas. Where a conflict exists between the floodplain limits illustrated on the official floodplain maps and actual field conditions (as illustrated in Figure 1), the Base Flood Elevation (BFE) shall be the governing factor in locating the outer boundaries of the one-percent annual chance floodplain.

Figure 1: The mapped floodplain may not always align with on-the-ground contour elevations.



3.13 Persons contesting the location of the district boundaries will be given a reasonable opportunity to present their case to the Grand Rapids Planning Commission and to submit technical evidence.

3.2 **Incorporation of Maps by Reference.** The following maps together with all attached material are hereby adopted by reference and declared to be a part of the official zoning map and this ordinance. The attached material includes the Flood Insurance Study for Itasca County, Minnesota, and Incorporated Areas, dated March 11, 2025, and the following Flood Insurance Rate Map panels 27061C1490C, 27061C1495C, 27061C1525C, 27061C1655C, 27061C1661C, 27061C1662C, 27061C1675C, 27061C1680C, dated March 11, 2025, all prepared by the Federal Emergency Management Agency. These materials are on file in the City of Grand Rapids Community Development office located at 420 North Pokegama Avenue, Grand Rapids, MN 55744.

3.3 Districts

3.31 Floodway District. Those areas within Zone AE delineated within floodway areas as shown on the Flood Insurance Rate Maps referenced in Section 3.2 and those areas within Zone A determined to be located in the floodway based on the delineation methods in Section 7.4.

3.32 Flood Fringe District. Those areas within Zone AE located outside of the delineated floodway as shown on the Flood Insurance Rate Maps referenced in Section 3.2, and those areas within Zone A determined to be located in the flood fringe based on the delineation methods in Section 7.4. This district shall be extended laterally to the 0.2-percent annual chance floodplain, where mapped.

3.33 General Floodplain District. Those areas within Zone AE and A areas that do not have a floodway delineated as shown on the Flood Insurance Rate Maps referenced in Section 3.2.

3.4 **Annexations.** The Flood Insurance Rate Map panels referenced in Section 3.2 may include floodplain areas that lie outside of the corporate boundaries of the City of Grand Rapids at the time of adoption of this ordinance. If any of

these floodplain land areas are annexed into the City of Grand Rapids after the date of adoption of this ordinance, newly annexed floodplain lands will be subject to the provisions of this ordinance immediately upon the date of annexation. Annexations into panels not referenced in Section 3.2 require ordinance amendment in accordance with Section 14.0.

3.5 **Municipal Boundary Adjustments.** The Flood Insurance Rate Map panels referenced in Section 3.2 apply countywide. If at any point any lands come under the jurisdiction of another local government, the following shall apply:

3.51 City adjustments of corporate boundaries, including but not limited to annexations and detachments, shall shift floodplain administrative authority of all affected lands immediately upon the date of the boundary adjustment occurring. Cities retain jurisdiction for all incorporated lands, and the County retains jurisdiction under this ordinance on all unincorporated lands.

SECTION 4.0 REQUIREMENTS FOR ALL FLOODPLAIN DISTRICTS

4.1 **Permit Required.** A permit must be obtained from the Zoning Administrator to verify compliance with all applicable standards outlined in this ordinance prior to the following uses or activities:

- 4.11 The erection, addition, modification, rehabilitation, repair, or alteration of any building, structure, or portion thereof. Normal maintenance requires a permit to determine if such work, either separately or in conjunction with other planned work, constitutes a substantial improvement, as specified in Section 12.13.
- 4.12 The construction of a fence, pool, deck, or placement of anything that may cause a potential obstruction. Farm fences, as defined in Section 2.0 of this ordinance, are not considered to be an obstruction, and as such, do not require a permit.
- 4.13 The change or expansion of a nonconforming use.
- 4.14 The repair of a structure that has been damaged by flood, fire, tornado, or any other source.
- 4.15 The placement of fill, excavation, utilities, on-site sewage treatment systems, or other service facilities.
- 4.16 The storage of materials or equipment, in conformance with Section 4.22.
- 4.17 Relocation or alteration of a watercourse (including stabilization projects or the construction of new or replacement dams, culverts and bridges). A local permit is not required if a public waters work permit has been obtained from the Department of Natural Resources, unless a significant area above the ordinary high-water level is also to be disturbed.
- 4.18 Any other type of "development," as defined in Section 2.0 of this ordinance.

4.2 Minimum Development Standards

- 4.21 All development must:
- A. Be designed (or modified) and adequately anchored to prevent flotation, collapse, or lateral movement resulting from hydrodynamic and hydrostatic loads, including the effects of buoyancy;
 - B. Be constructed with materials and equipment resistant to flood damage;
 - C. Be constructed by methods and practices that minimize flood damage;
 - D. Be constructed with heating, ventilation, duct work, and air conditioning equipment and other service facilities elevated at least up to the Regulatory Flood Protection Elevation (RFPE). Water, sewage, electrical, and other utility lines below the RFPE shall be constructed so as to prevent water from entering or accumulating within them during conditions of flooding;
 - E. Be reasonably safe from flooding and consistent with the need to minimize flood damage;
 - F. Be assured to provide adequate drainage to reduce exposure to flood hazards;
 - G. Not be detrimental to uses in adjoining areas; and
 - H. Not adversely affect the efficiency or restrict the flood carrying capacity of the channel and adjoining floodplain of any tributary watercourse or drainage system.
 - I. Ensure that any fill or other materials are protected from erosion, discharge, and sediment entering surface waters by the use of vegetative cover or other methods as soon as possible.

- 4.22 Materials that, in time of flooding, are buoyant, flammable, explosive, or could be injurious to human, animal or plant life shall be stored at or above the Regulatory Flood Protection Elevation (RFPE), floodproofed, or protected by other measures as approved by the Zoning Administrator. Storage of materials likely to cause pollution of the waters, such as sewage; sand; rock; wrecked and discarded equipment; dredged spoil; municipal, agricultural or industrial waste; and other wastes as further defined in Minnesota Statutes, Section 115.01, are prohibited unless adequate safeguards approved by the Minnesota Pollution Control Agency are provided. For projects not requiring approvals by the Minnesota Pollution Control Agency, adequate safeguards must be approved by the Zoning Administrator prior to issuance of a permit.
- 4.23 Critical facilities shall be located so that the lowest floor is not less than two feet above the Base Flood Elevation (BFE), or the 0.2% annual chance flood elevation, whichever is higher.

Table 1. Summary of Permitting Requirements for Structures

Structure Type	Floodway	Flood Fringe	Standards*
Accessory Structures – on fill	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(2)
Accessory Structures – Alt. Elevation Methods	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(3)
Accessory Structures – Wet Floodproofing	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(1)
Accessory Structures – Dry (watertight) Floodproofing	Only specific uses and types allowed – with CUP	Allowed with Permit	6.23.D(4)
Residential			
Residential – on fill	Not allowed	Allowed with Permit	6.21.A
Residential – Alt. Elevation Methods	Not allowed	Allowed with CUP	6.41
Residential – Dry (watertight) Floodproofing and/or Basement Construction below RFPE	Not allowed	Not allowed	N/A
Non-Residential			
Non-Residential – on fill	Not allowed	Allowed with Permit	6.22.A
Non-Residential – Alt. Elevation Methods	Not allowed	Allowed with Permit	6.22.B
Non-Residential – Dry (watertight) Floodproofing and/or Basement Construction below RFPE	Not allowed	Allowed with Permit	6.22.C

**Note - many of these standards are cross-referenced*

SECTION 5.0 FLOODWAY DISTRICT

- 5.1 **Permitted Uses in Floodway.** Development allowed in the floodway district is limited to that which has low flood damage potential and will not obstruct flood flows, increase velocities, or increase the water surface elevations of the one-percent annual chance flood. The following uses and activities may be allowed with a permit, subject to the standards in Section 5.2:
 - 5.11 Agricultural uses, recreational uses, parking lots, loading areas, airport landing strips, water control structures, navigational facilities, as well as public open space uses.
 - 5.12 Roads, driveways, railroads, trails, bridges, and culverts.
 - 5.13 Public utility facilities and water-oriented industries which must be in or adjacent to watercourses.
 - 5.14 Grading, filling, land alterations, and shoreline stabilization projects.
 - 5.15 No structures, as defined in Section 2.0, are allowed in the Floodway District, except structures accessory to the uses detailed in Sections 5.11 and 5.31, which require a CUP under Section 5.32.
 - 5.16 Levees or dikes intended to protect agricultural crops, provided the top of the dike does not exceed the 10-percent annual chance flood event.
- 5.2 **Standards for Permitted Uses in Floodway.** In addition to the applicable standards detailed in Section 4.0:
 - 5.21 The applicant must demonstrate that the development will not result in any of the following during the one-percent annual chance flood: cause a stage increase of 0.00 feet or greater, obstruct flood flows, or increase velocities. This shall be demonstrated through hydrologic and hydraulic analysis performed by a professional

engineer or using other standard engineering practices (e.g. projects that restore the site to the previous cross-sectional area). This is commonly documented through a “no-rise certification.”

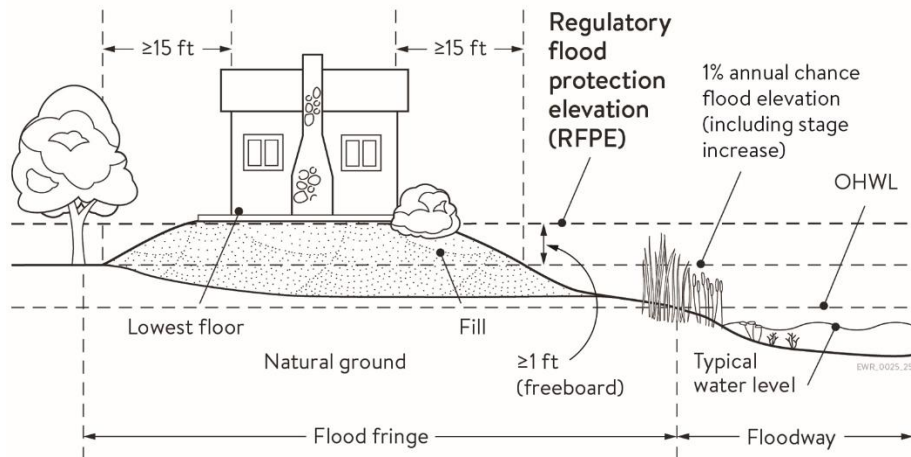
Item 22.

- 5.22 Any development that would result in a stage increase greater than 0.00 feet may only be allowed with a permit if the applicant has applied for and received approval for a Conditional Letter of Map Revision (CLOMR) in accordance with 44 CFR § 65.12. Map revisions must follow the procedures in Sections 11.15 and 14.0.
 - 5.23 Any development resulting in decreases to the water surface elevation of the base flood identified in the Flood Insurance Study requires a Letter of Map Revision (LOMR) following the procedures in Sections 11.15 and 14.0.
 - 5.24 Any development in the beds of public waters that will change the course, current or cross section is required to obtain a public waters work permit in accordance with Minnesota Statutes, section 103G.245 or a utility crossing license in accordance with Minnesota Statutes, section 84.415, from the Department of Natural Resources, or demonstrate that no permit is required, before applying for a local permit.
 - 5.25 Any facility used by employees or the general public must be designed with a flood warning system acceptable to the Zoning Administrator that provides adequate time for evacuation or be designed to ensure that within the area inundated during the base flood event, the depth (in feet) multiplied by the velocity (in feet per second) is less than four.
 - 5.26 Fill and other land alteration activities must offer minimal obstruction to the flow of flood waters and be protected from erosion and sediment entering surface waters by the use of vegetative cover, riprap or other methods as soon as possible.
- 5.3 **Conditional Uses in Floodway.** The following uses and activities may be permitted as conditional uses, subject to the standards detailed in Sections 5.4:
- 5.31 Commercial extractive uses, and storage and stockpiling yards.
 - 5.32 Structures accessory to uses detailed in Sections 5.11 and 5.31.
- 5.4 **Standards for Conditional Uses in Floodway.** In addition to the applicable standards detailed in Sections 4.0, 5.2 and 11.2:
- 5.41 Extractive uses and storage of materials require the completion of a site development and restoration plan, to be approved by the City of Grand Rapids.
 - 5.42 Accessory Structures. Structures accessory to the uses detailed in Sections 5.11 and 5.31 must be constructed and placed so as to offer a minimal obstruction to the flow of flood waters and are subject to the standards in Section 6.23 of this ordinance.

SECTION 6.0 FLOOD FRINGE DISTRICT

- 6.1 **Permitted Uses in Flood Fringe.** Any uses or activities allowed in any applicable underlying zoning districts may be allowed with a permit, subject to the standards set forth in Sections 6.2.
- 6.2 **Standards for Permitted Uses in Flood Fringe.** In addition to the applicable standards detailed in Section 4.0:
 - 6.21 Residential Structures.
 - A. Elevation on Fill. Structures erected, constructed, reconstructed, altered, or moved on fill within the Flood Fringe District shall be placed so that the lowest floor, as defined in Section 2.0 of this ordinance, is elevated at or above the Regulatory Flood Protection Elevation (RFPE). The finished fill elevation shall be at or above the elevation associated with the base flood plus any stage increases that result from designation of a floodway. Fill must extend at the same elevation at least 15 feet beyond the outside limits of the structure. Elevations must be certified by a registered professional engineer, land surveyor or other qualified person designated by the Zoning Administrator. Elevation methods alternative to these fill standards are subject to a Conditional Use Permit, as provided in Section 6.31 of this ordinance (Figure 2). Construction of this type shall only be permitted in locations where the natural ground is no lower than three feet below the base flood elevation.

Figure 2: Overview of fill standards for residential structures.



6.22 Nonresidential Structures. Nonresidential structures must meet one of the following construction methods:

- A. Elevation on Fill. Structures may be elevated on fill, meeting the standards in Section 6.21.A of this ordinance. Fill for nonresidential structures is not required to be extended 15 feet beyond the outside limits of the structure.
- B. Alternative Elevation Methods. Structures may be elevated using methods alternative to the fill standards in Section 6.21.A of this ordinance. Such methods include the use of blocks, pilings (Figure 3), filled stem walls (Figure 4), or internally flooded enclosed areas (Figure 5) such as crawl spaces, attached garages, or tuck under garages.

Figure 3: Blocks or pilings.

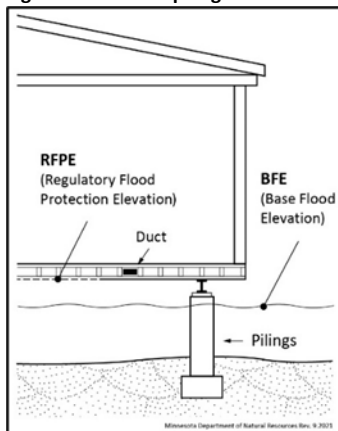


Figure 4: Filled stem walls.

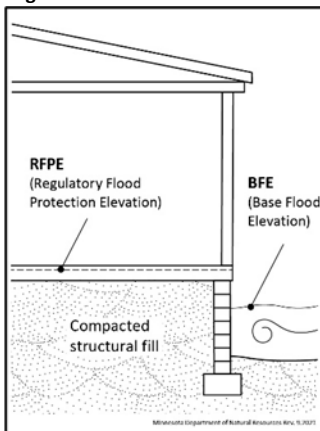
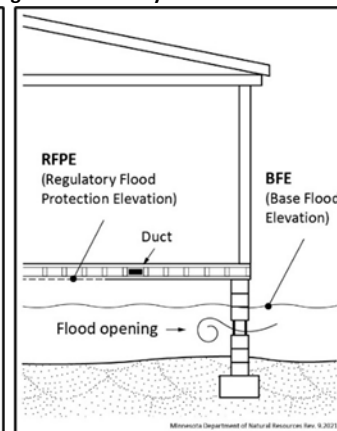


Figure 5: Internally flooded enclosed area.



Designs accommodating for internally flooded enclosed areas must be certified by a registered professional engineer or architect, or meet or exceed the standards detailed in *FEMA Technical Bulletin 1*, as amended, as well as the following standards:

- (1) The lowest floor, as defined in Section 2.0 of this ordinance, shall be elevated at or above the Regulatory Flood Protection Elevation (RFPE).
- (2) The floor of the enclosed area must be at or above the exterior grade on at least one side of the structure.
- (3) To allow for the equalization of hydrostatic pressure, there shall be a minimum of two openings below the base flood elevation on at least two sides of the structure. The bottom of all openings shall be no higher than one foot above grade. The openings shall have a minimum net area of not less than one square inch for every square foot of enclosed area subject to flooding, have a net area of not less than one square inch for every square foot of enclosed area subject to flooding, and shall allow automatic entry and exit of floodwaters without human intervention.

(4) Internally flooded enclosed areas shall only be used for the parking of vehicles, building access, or storage. Bathrooms and toilet rooms shall not be allowed. Such areas shall be subject to a deed-restricted no conversion agreement as well as periodic inspections with the issuance of any permit.

C. **Dry Floodproofing.** Structures having watertight enclosed basements or spaces below the Regulatory Flood Protection Elevation (RFPE) must meet the following standards:

- (1) Walls must be substantially impermeable to the passage of water, with structural components having the capacity of resisting hydrostatic and hydrodynamic loads and effects of buoyancy, at least up to the Regulatory Flood Protection Elevation (RFPE);
- (2) Must meet the standards of FEMA Technical Bulletin 3, as amended; and
- (3) A registered professional engineer or architect shall be required to certify that the design and methods of construction meet the standards detailed in this Section.

6.23 **Accessory Structures.** All accessory structures must meet the following standards:

A. Structures shall not be designed or used for human habitation.

B. Structures will have a low flood damage potential.

C. Structures shall constitute a minimal investment not to exceed 576 square feet in size, one-story in height, and shall only be used for parking and storage, except as provided under Section 6.23.E.

D. Structures with two or more rigid walls, must meet one of the following construction methods:

- (1) **Wet Floodproofing.** Structures may be floodproofed in a way to accommodate internal flooding. To allow for the equalization of hydrostatic pressure, there shall be a minimum of two openings on at least two sides of the structure and the bottom of all openings shall be no higher than one foot above grade. The openings shall have a minimum net area of not less than one square inch for every square foot of enclosed area subject to flooding and shall allow automatic entry and exit of floodwaters without human intervention.
- (2) **Elevation on Fill.** Structures may be elevated on fill, meeting the standards in Section 6.21.A of this ordinance. Fill is not required to be extended 15 feet beyond the outside limits of the structure.
- (3) **Alternative Elevation Methods.** Structures may have their lowest floor elevated above the Regulatory Flood Protection Elevation (RFPE) through methods alternative to the fill standards in Section 6.23.D(2), and must meet the standards in Section 6.22.B of this ordinance.
- (4) **Dry Floodproofing.** Structures may be dry-floodproofed, or watertight, meeting the standards in Section 6.22.C of this ordinance.

E. Structures with fewer than two rigid walls, such as carports, gazebos, and picnic pavilions, may be located at an elevation below the Regulatory Flood Protection Elevation, exceed 576 square feet in size, and may include uses as provided under Section 6.1

6.24 All new principal structures must provide vehicular access no lower than one foot below the Base Flood Elevation (BFE), unless a flood warning/emergency evacuation plan has been approved by the City of Grand Rapids.

6.25 Any facilities used by employees or the general public must be designed with a flood warning system acceptable to the City of Grand Rapids that provides adequate time for evacuation or be designed to ensure that within the area inundated during the base flood event, the depth (in feet) multiplied by the velocity (in feet per second) is less than four.

6.26 Manufactured homes and recreational vehicles must meet the standards of Section 10 of this ordinance.

6.3 **Conditional Uses in Flood Fringe.** The following uses and activities may be permitted as conditional uses, subject to the standards in Sections 6.4:

6.31 **Alternative Elevation Methods – Residential Structures.** Residential structures with their lowest floor elevated above the Regulatory Flood Protection Elevation (RFPE) using methods alternative to the fill requirements in Section 6.21.

- 6.4 **Standards for Conditional Uses in Flood Fringe.** In addition to the applicable standards detailed in Sections 4.0, 6.11.2:

- 6.41 All residential structures with lowest floors elevated through alternative elevation methods must meet the standards in Section 6.22.B of this ordinance.

SECTION 7.0 GENERAL FLOODPLAIN DISTRICT

7.1 Permitted Uses in General Floodplain District

- 7.11 Until the floodway is delineated, allowable uses will be restricted to those listed in the Floodway District, Section 5.0
- 7.12 All other uses are subject to a floodway/flood fringe determination as provided in Section 7.4, in addition to the standards provided in Sections 7.2 and 7.3. Permitted uses shall be determined as follows:
- A. If the development is determined to be in the Floodway District, Section 5.0 applies.
 - B. If the development is determined to be in the Flood Fringe District, Section 6.0 applies.

7.2 Determining Flood Elevations

- 7.21 All development requires a determination of the Base Flood Elevation (BFE). Exceptions to this requirement include projects that restore the site to the previous cross-sectional area, such as shore stabilization or culvert replacement projects. Base Flood Elevations (BFE) may be found using best available data from any Federal, State, or other source (including MNDNR's Lake & Flood Elevations Online (LFEO) Viewer).

7.3 Encroachment Analysis

- 7.31 Encroachments due to development may not allow stage increases more than one-half (0.5) foot at any point, unless through a map revision following the procedures in Sections 11.15 and 14.0. This evaluation must include the cumulative effects of previous encroachments and must be documented with hydrologic and hydraulic analysis performed by a professional engineer, or using other standard engineering practices. A lesser water surface elevation increase than one-half (0.5) foot is required if, due to the water surface level increase, increased flood damages would potentially result.
- 7.32 Alterations or changes that result in stage decreases are allowed and encouraged.

7.4 Standards for the Analysis of Floodway Boundaries

- 7.41 Requirements for Detailed Studies. Any development, as requested by the Zoning Administrator, shall be subject to a detailed study to determine the limits of the Floodway District. This determination must be consistent with the minimum standards for hydrologic and hydraulic mapping standards and techniques, as detailed in Minnesota Rules, part 6120.5600, Subp. 4 and *FEMA Guidelines and Standards for Flood Risk Analysis and Mapping*, as revised. Additionally:
- A. A regulatory floodway necessary to carry the discharge of the one-percent annual chance flood must be selected without increasing the water surface elevation more than one-half (0.5) foot at any point. This determination should include the cumulative effects of previous encroachments. A lesser water surface elevation increase than one-half (0.5) foot is required if, due to the water surface level increase, increased flood damages would potentially result; and
 - B. An equal degree of encroachment on both sides of the stream within the reach must be assumed in computing floodway boundaries, unless topography, existing development patterns, and comprehensive land use plans justify a modified approach, as approved by the Department of Natural Resources.
- 7.42 Other Acceptable Methods. For areas where a detailed study is not available or required:
- A. Development prohibited in floodways (e.g. most buildings) requires a floodway/flood fringe determination to verify the development is within the flood fringe. This determination must be done by a professional engineer or utilize other accepted engineering practices. The Department of Natural Resources may also provide technical assistance and must approve any alternative methods used to determine floodway boundaries.

SECTION 8.0 SUBDIVISION STANDARDS

Item 22.

- 8.1 **Subdivisions.** All subdivided land must meet the following requirements. Manufactured home parks and recreational vehicle parks or campgrounds are considered subdivisions under this ordinance.
- 8.11 All lots within floodplain districts must be suitable for a building site outside of the Floodway District.
- 8.12 Subdivision of lands within the floodplain districts may not be approved if the cost of providing governmental services would impose an unreasonable economic burden on the City of Grand Rapids.
- 8.13 All subdivisions must have vehicular access both to the subdivision and to the individual building sites no lower than two feet below the Regulatory Flood Protection Elevation (RFPE), unless a flood warning/emergency evacuation plan has been approved by the City of Grand Rapids.
- 8.14 The Floodway and Flood Fringe District boundaries, the Regulatory Flood Protection Elevation (RFPE) and the required elevation of all access roads must be clearly identified on all required subdivision drawings and platting documents.

SECTION 9.0 PUBLIC AND PRIVATE UTILITIES, SERVICE FACILITIES, ROADS, BRIDGES, AND RAILROADS

- 9.1 **Public Transportation Facilities.** Railroad tracks, roads, and bridges must be elevated to the Regulatory Flood Protection Elevation (RFPE) where such facilities are essential to the orderly functioning of the area, or where failure or interruption would result in danger to public health or safety. Minor or auxiliary roads or railroads may be constructed at a lower elevation where failure or interruption of transportation services would not endanger the public health or safety. All public transportation facilities should be designed to minimize increases in flood elevations.
- 9.2 **Public Utilities.** All utilities such as gas, electrical, sewer, and water supply systems to be located in the floodplain must be elevated and/or floodproofed to the Regulatory Flood Protection Elevation (RFPE), be located and constructed to minimize or eliminate flood damage and be designed to eliminate infiltration of flood waters into the systems and discharges from the systems into flood waters. All public utilities should be designed to minimize increases in flood elevations. New solid waste management facilities, as defined in Minnesota Rules, part 7035.0300, are prohibited in the one-percent annual chance floodplain. Water supply systems are subject to the provisions in Minnesota Rules, part 4725.4350.
- 9.3 **Private On-Site Water Supply, Individual Sewage Treatment Systems, and other Service Facilities.** Private facilities shall be subject to applicable provisions detailed in Section 9.2. In addition, new or replacement on-site sewage treatment systems are to be located to avoid impairment to them or contamination from them during times of flooding, shall not be located in a designated floodway, and are subject to the provisions in Minnesota Rules, parts 7080.2270.

SECTION 10.0 MANUFACTURED HOMES AND RECREATIONAL VEHICLES

- 10.1 **Manufactured Homes.** Manufactured homes and manufactured home parks are subject to applicable standards for each floodplain district. In addition:
- 10.11 New and replacement manufactured homes must be placed and elevated in compliance with Section 6.0 of this ordinance and must be securely anchored to a system that resists flotation, collapse and lateral movement. Methods of anchoring may include, but are not limited to, use of over-the-top or frame ties to ground anchors.
- 10.12 New manufactured home parks and expansions to existing manufactured home parks must meet the appropriate standards for subdivisions in Section 8.0 of this ordinance.
- 10.2 **Recreational Vehicles.** New recreational vehicle parks or campgrounds and expansions to existing recreational vehicle parks or campgrounds are prohibited in any floodplain district. Recreational vehicles placed in existing recreational vehicle parks, campgrounds or lots of record in the floodplain must either:
- 10.21 Meet the requirements for manufactured homes in Section 10.1, or
- 10.22 Be travel ready, meeting the following criteria:
- A. The vehicle must be fully licensed.
- B. The vehicle must be ready for highway use, meaning on wheels or the internal jacking system, attached to the site only by quick disconnect type utilities.
- C. No permanent structural type additions may be attached to the vehicle.

- D. Accessory structures may be permitted in the Flood Fringe District, provided they do not hinder the removal of the vehicle should flooding occur, and meet the standards outlined in Sections 4.0 and 6.23.

Item 22.

SECTION 11.0 ADMINISTRATION

11.1 **Duties.** A Zoning Administrator or other official must administer and enforce this ordinance.

11.11 **Permit Application Requirements.** Permit applications must be submitted to the Zoning Administrator. The permit application must include the following, as applicable:

- A. A site plan showing all existing or proposed buildings, structures, service facilities, potential obstructions, and pertinent design features having an influence on the permit.
- B. Location and detail of grading, fill, or storage of materials.
- C. Copies of any required local, state or federal permits or approvals.
- D. Other relevant information requested by the Zoning Administrator as necessary to properly evaluate the permit application.

11.12 **Recordkeeping.** The Zoning Administrator must maintain applicable records in perpetuity documenting:

- A. All certifications for dry floodproofing and alternative elevation methods, where applicable.
- B. Analysis of no-rise in the Floodway District, as detailed in Section 5.21, and encroachment analysis ensuring no more than one-half foot of rise in the General Floodplain District, as detailed in Sections 7.22 and 7.31.
- C. Final elevations, as applicable, detailing the elevation to which structures and improvements to structures are constructed or floodproofed. Elevations shall be determined by an engineer, architect, surveyor or other qualified individual, as approved by the Zoning Administrator.
- D. Substantial damage and substantial improvement determinations, as detailed in Section 12.13, including the cost of improvements, repairs, and market value.
- E. All variance actions, including justification for their issuance, and must report such variances as requested by the Federal Emergency Management Agency.

11.13 **Certificate of Zoning Compliance for a New, Altered, or Nonconforming Use.** No building, land or structure may be occupied or used in any manner until a certificate of zoning compliance has been issued by the Zoning Administrator stating that the finished fill and building floor elevations or other flood protection measures are in compliance with the requirements of this ordinance.

11.14 **Notifications for Watercourse Alterations.** Before authorizing any alteration or relocation of a river or stream, the Zoning Administrator must notify adjacent communities. If the applicant has applied for a permit to work in public waters in accordance with Minnesota Statutes, Section 103G.245, this will suffice as adequate notice. A copy of the notification must also be submitted to FEMA.

11.15 **Notification to FEMA When Physical Changes Increase or Decrease Base Flood Elevations.** Where physical changes affecting flooding conditions may increase or decrease the water surface elevation of the base flood, the City of Grand Rapids must notify FEMA of the changes in order to obtain a Letter of Map Revision (LOMR), by submitting a copy of the relevant technical or scientific data as soon as practicable, but no later than six months after the date such supporting information becomes available. Within the General Floodplain District, a map revision is only required if development results in stage increases greater than 0.5 feet.

11.2 Conditional Uses and Variances

11.21 **Process.**

- A. An application for a conditional use permit will be processed and reviewed in accordance with the provisions of this ordinance.
- B. An application for a variance to the provisions of this ordinance will be processed and reviewed in accordance with Minnesota Statutes, Section 462.357, Subd. 6(2) and this ordinance.

11.22 **Additional Variance Criteria.** The following additional variance criteria must be satisfied:

- A. Variances must not be issued within any designated regulatory floodway if any increase in flood levels due to the base flood discharge would result.
- B. Variances from the provisions of this ordinance may only be issued by a community upon:
 - (1) A showing of good and sufficient cause;
 - (2) A determination that failure to grant the variance would result in exceptional hardship to the applicant; and
 - (3) A determination that the granting of a variance will not result in increased flood heights, additional threats to public safety, extraordinary public expense, create nuisances, cause fraud on or victimization of the public, or conflict with existing local laws or ordinances.
- C. Variances from the provisions in this ordinance may only be issued upon a determination that the variance is the minimum necessary, considering the flood hazard, to afford relief.
- D. Variances must be consistent with the general purpose of these standards and the intent of applicable provisions in state and federal law.
- E. Variances may be used to modify permissible methods of flood protection, but no variance shall permit a lesser degree of flood protection than the Regulatory Flood Protection Elevation (RFPE).
- F. The Zoning Administrator must notify the applicant for a variance in writing that:
 - (1) The issuance of a variance to construct a structure below the base flood level will result in increased premium rates for flood insurance up to amounts as high as \$25 for \$100 of insurance coverage; and
 - (2) Such construction below the base flood level increases risks to life and property. Notification must be maintained with a record of all variance actions.

11.23 Considerations for Approval. The City of Grand Rapids must consider all relevant factors specified in other sections of this ordinance in granting variances and conditional use permits, including the following:

- A. The potential danger to life and property due to increased flood heights or velocities caused by encroachments.
- B. The danger that materials may be swept onto other lands or downstream to the injury of others.
- C. The safety of access to the property in times of flood for ordinary and emergency vehicles.

11.24 Conditions of Approval. The City of Grand Rapids may attach such conditions to the granting of variances and conditional use permits as it deems necessary to fulfill the purposes of this ordinance. Such conditions may include, but are not limited to, the following:

- A. Limitations on period of use, occupancy, and operation.
- B. Imposition of operational controls, sureties, and deed restrictions.
- C. The prevention of soil erosion or other possible pollution of public waters, both during and after construction.
- D. Other conditions as deemed appropriate by the Zoning Administrator and the City of Grand Rapids.

11.3 Notifications to the Department of Natural Resources

11.31 All notices of public hearings to consider variances or conditional uses under this ordinance must be sent via electronic mail to the Department of Natural Resources respective area hydrologist at least ten (10) days before the hearings. Notices of hearings to consider subdivisions/plats must include copies of the subdivision/plat.

11.32 A copy of all decisions granting variances and conditional uses under this ordinance must be sent via electronic mail to the Department of Natural Resources respective area hydrologist within ten (10) days of final action.

SECTION 12.0 NONCONFORMITIES

12.1 **Continuance of Nonconformities.** A use, structure, or occupancy of land which was lawful before the passage or amendment of this ordinance, but which is not in conformity with the provisions of this ordinance, may be continued subject to the following conditions:

- 12.11 Within the floodway and general floodplain districts (when a site has been determined to be located in the floodway following the procedures in Section 7.3, or when the floodway has not been delineated), any expansion or enlargement of uses or structures is prohibited.
- 12.12 Within all districts, any addition, modification, rehabilitation, repair, or alteration shall be in conformance with the provisions of this ordinance, shall not increase the flood damage potential or increase the degree of obstruction to flood flows, and where applicable, must be protected to the Regulatory Flood Protection Elevation (RFPE).
- 12.13 If any nonconforming structure is determined to be substantially damaged or substantially improved based on the procedures in Section 12.2, it may not be reconstructed except in conformity with the provisions of this ordinance. Any structures located outside the one-percent annual chance floodplain are exempt from this provision.
- 12.14 If any nonconforming use, or any use of a nonconforming structure, is discontinued for more than one year, any future use of the premises must conform to this ordinance.
- 12.15 If any nonconforming structure has utilities, electrical, or mechanical equipment damaged due to flooding, it must be rebuilt in conformance with the elevation requirements in Section 4.31.D to the greatest extent practicable. This requirement shall apply regardless of the determinations made in Section 12.2.

12.2 Substantial Improvement and Substantial Damage Determinations. Prior to issuing any permits for additions, modifications, rehabilitations, repairs, alterations, or maintenance to nonconforming structures, the Zoning Administrator is required to determine if such work constitutes substantial improvement or repair of a substantially damaged structure. A determination must be made in accordance with the following procedures:

- 12.21 Estimate the market value of the structure. In the case of repairs, the market value of the structure shall be the market value before the damage occurred and before any restoration or repairs are made.
- 12.22 Estimate the cost of the project. The property owner shall accommodate for inspection, and furnish other documentation needed by the zoning administrator to evaluate costs.
- A. Improvement costs shall be comprised of the market rate of all materials and labor, as well as the costs of all ordinary maintenance and upkeep carried out over the past one year.
- B. Costs to repair damages shall be comprised of the market rate of all materials and labor required to restore a building to its pre-damaged condition regardless of the work proposed, as well as associated improvement costs if structure is being restored beyond its pre-damaged condition.
- 12.23 Compare the cost of the improvement, repairs, or combination thereof to the estimated market value of the structure and determine whether the proposed work constitutes substantial improvement or repair of a substantially damaged structure, as defined in Section 2.0 of this ordinance.
- A. For the purposes of determining whether the proposed work would constitute substantial improvement, the evaluation shall also include all rehabilitations, additions, or other improvements completed since the community has adopted floodplain standards impacting this structure.
- B. If any nonconforming structure experiences a repetitive loss, as defined in Section 2.0 of this ordinance, it shall be considered substantially damaged and must not be reconstructed except in conformity with the provisions of this ordinance.
- 12.24 Based on this determination, the zoning administrator shall prepare a determination letter and notify the property owner accordingly. Structures determined to be substantially damaged or substantially improved may not be reconstructed except in conformity with the provisions of this ordinance.

SECTION 13.0 VIOLATIONS AND PENALTIES

- 13.1 **Uses in Violation of the Ordinance.** Every structure, fill, deposit, or other use placed or maintained in the floodplain in violation of this ordinance shall be considered a public nuisance.
- 13.2 **Civil Remedies.** The creation of a public nuisance may be enjoined and the maintenance of a public nuisance under this ordinance may be abated by an action brought by the City of Grand Rapids or the Department of Natural Resources.
- 13.3 **Enforcement.** Violations of the provisions of this ordinance constitutes a misdemeanor and is punishable as defined by law. The Zoning Administrator may utilize the full array of enforcement actions available to it including but not limited

prosecution and fines, injunctions, after-the-fact permits, orders for corrective measures or a request to the National Flood Insurance Program for denial of flood insurance. The City of Grand Rapids must act in good faith to enforce its official controls and to correct ordinance violations to the extent possible so as not to jeopardize its eligibility in the National Flood Insurance Program.

Item 22.

SECTION 14.0 AMENDMENTS

- 14.1 **Ordinance Amendments.** Any revisions to the floodplain maps by the Federal Emergency Management Agency or annexations of new map panels require an ordinance amendment to update the map references in Section 3.2 of this ordinance.
- 14.2 **Required Approval.** All amendments to this ordinance must be submitted to the Department of Natural Resources for review and approval prior to adoption, for compliance with state and federal rules and requirements. The floodplain ordinance shall not be considered valid until approved.

EFFECTIVE DATE: This ordinance shall be in full force and effect from and after its passage and approval.



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: 02/10/2025

AGENDA ITEM: Conduct a public hearing to consider vacating a platted utility easement (Airport South Industrial Park – Phase I)

PREPARED BY: Dan Swenson, Community Development

BACKGROUND:

Staff will present the attached PowerPoint presentation as background for this item.

REQUESTED COUNCIL ACTION:

Conduct a public hearing to consider vacating a platted utility easement (Airport South Industrial Park – Phase I) described as:

A thirty-foot-wide utility easement centered on the north, east and south lines of Lot 5, Block 2 of Airport South Industrial Park – Phase I, Grand Rapids, Itasca County.



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

Public Vacation Request

Platted Utility Easement

**Airport South Industrial Park – Phase 1 of Grand Rapid, Minnesota, legally described
as:**

**A thirty-foot-wide utility easement centered on the north, east and south lines of Lot 5,
Block 2 of Airport South Industrial Park – Phase 1, Grand Rapids, Itasca County,**

February 10, 2025



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

Public Vacation Request

Petitioner

Initiated by Grand Rapids City Council

Requested Vacation

A thirty-foot-wide utility easement centered on the north, east and south lines of Lot 5, Block 2 of Airport South Industrial Park – Phase 1, Grand Rapids, Itasca County, Minnesota.

Petitioner's Stated Reason for Request

The Grand Rapids Economic Development Authority has approved the conveyance of Lots 3-6, Block 2 of Airport South Industrial Park – Phase 1. The utility easement that extends along the north, east and south sides of Lot 5 was established to provide a means of extending sanitary sewer to lots 4 & 6, in the event these lots were individually sold and developed.

With all four lots being conveyed as a single site; the easement is not needed and should be vacated to establish a clear title.

Public Vacation Request

Lot 5, Block 2 Airport South Industrial Park





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

Public Vacation Request

Item 23.





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

Public Vacation Request

Staff Review Committee

Staff review committee consists of: Engineering/Public Works Department, Community Development Department, Fire Department and the Grand Rapids Public Utilities Commission.



CITY OF
GRAND RAPIDS
ITS IN MINNESOTA'S NATURE

Public Vacation Request

Planning Commission Considerations

PLANNING COMMISSION
Considerations
RIGHT-OF-WAY VACATIONS

1. Is the right-of-way needed for traffic purposes?
Why/Why not?

2. Is the right-of-way needed for pedestrian purposes?
Why/Why not?

3. Is the right-of-way needed for utility purposes?
Why/Why not?

4. Would vacating the right-of-way place additional land on the tax rolls?
Why/Why not?

5. Would vacating the right-of-way facilitate economic development in the City?
Why/Why not?



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

Item 23.

Questions?



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 6, 2025

AGENDA ITEM: Consider the adoption of a resolution either approving or denying the platted utility easement (Airport South Industrial Park – Phase 1)

PREPARED BY: Dan Swenson, Assistant Community Development Director

BACKGROUND:

After the public hearing on this matter, the City Council will want to consider 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 agree with it, and adopt the resolution as prepared, or the Council can make their own findings to support its reasons for approving or denying the request.

REQUESTED COUNCIL ACTION:

Make a motion to adopt a resolution either approving or denying the public vacation of right of way located at Airport South Industrial Park – Phase 1 and described as:

A thirty-foot-wide utility easement centered on the north, east and south lines of Lot 5, Block 2 of Airport South Industrial Park – Phase 1, Grand Rapids, Itasca County, Minnesota

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

RESOLUTION NO. 25-__

A Resolution for the Vacating a thirty-foot-wide utility easement centered on the north, east and south lines of Lot 5, Block 2 of Airport South Industrial Park – Phase 1, Grand Rapids, Itasca County, Minnesota

WHEREAS, the City Planning Commission, at their regular meeting on February 6, 2025, reviewed the vacation request for the platted utility easement described as:

thirty-foot-wide utility easement centered on the north, east and south lines of Lot 5, Block 2 of Airport South Industrial Park – Phase 1, Grand Rapids, Itasca County, Minnesota

WHEREAS, the Planning Commission found the vacation to be in the best interest of the public's health, safety, and general welfare; and

WHEREAS, the Planning Commission forwarded a recommendation for approval of the requested vacation; and

WHEREAS, the City Clerk's affidavit of publication of Notice of Public Hearing and of mailing notices to area residents were provided; and

WHEREAS, the Grand Rapids City Council conducted a public hearing on February 10, 2025, to consider the vacation described above; and

WHEREAS, all persons who wished to voice their opinion in regard to the above mentioned vacation were allowed to be heard; and

WHEREAS, it appears that the vacation will be in the best interest of the City to approve such petition;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF GRAND RAPIDS, MINNESOTA: that the City Council does concur with the Planning Commission's findings that this vacation is in the best interest of the public's health, safety, and general welfare, and hereby vacates the above described utility easement based on the following findings of fact:

- The vacation is not needed for traffic purposes, as it is a public utility easement.
- The vacation is not needed for pedestrian purposes.
- The vacation is not needed for utility purposes, as the lots are being sold together.
- The vacation will clear title issues.
- The vacation will facilitate economic development in the City, by allowing for additional development to take place on the property.

AND BE IT FURTHER RESOLVED, that;

1. The City Council instructs the City Clerk to submit a copy of this resolution to the Itasca County Assessor, Itasca County Recorder, and the Itasca County Auditor.

Adopted by the Council this 10th day of February 2025.

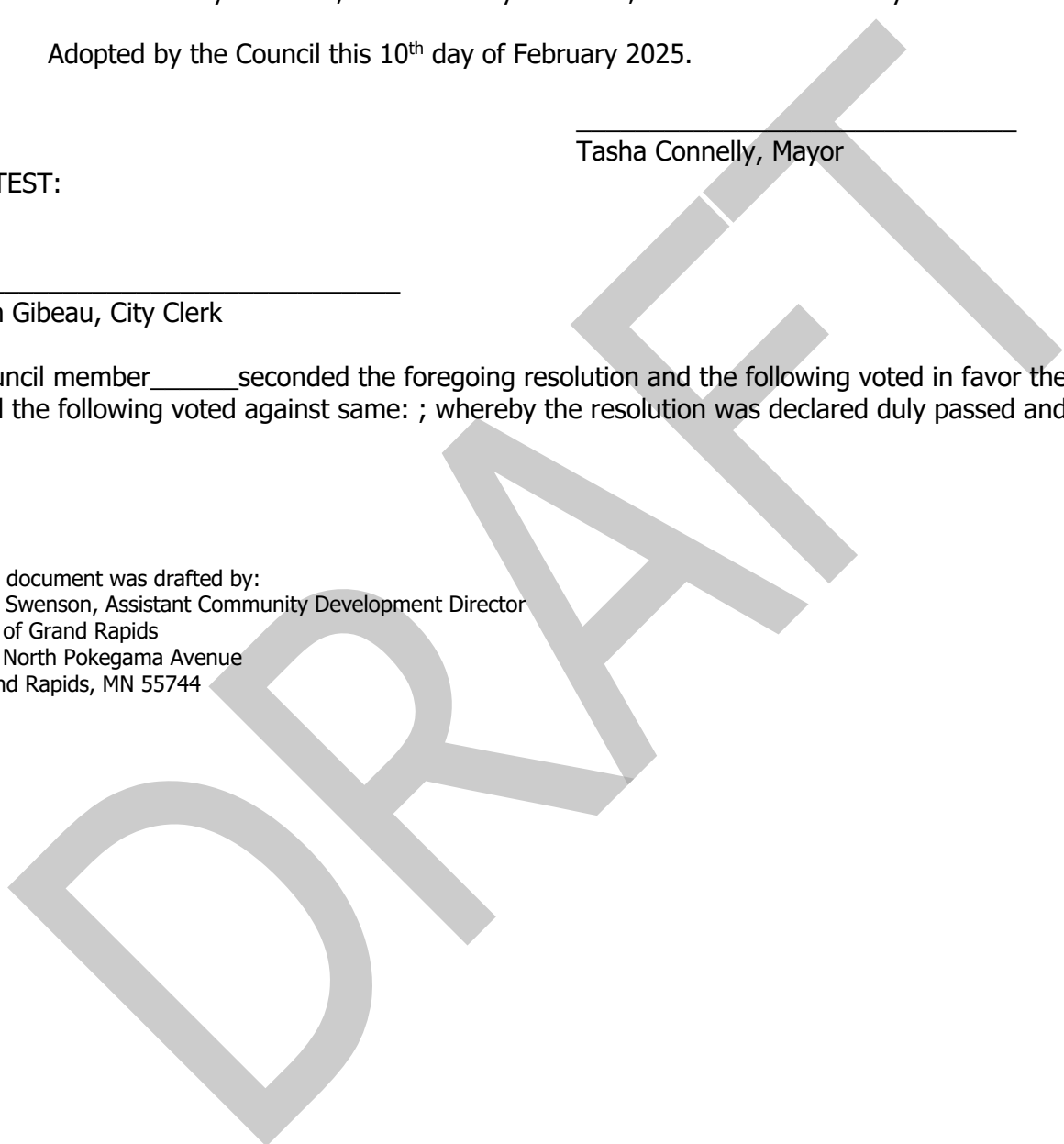
Tasha Connelly, Mayor

ATTEST:

Kim 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.

This document was drafted by:
Dan Swenson, Assistant Community Development Director
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744





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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Conducting a public hearing relating to the issuance of street reconstruction bonds.

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

The city recently reconstructed portions of 3rd Avenue NE and adjacent street under CP 2010-1. To pay for the improvements, the city must issue GO Reconstruction Bonds. In order to issue the bonds, the city must conduct a public hearing.

REQUESTED COUNCIL ACTION:

Make a motion to conduct a public hearing.

February 10, 2025

FIVE - YEAR STREET RECONSTRUCTION & OVERLAY
PLAN:

City of Grand Rapids, MN

2025 - 2029



Prepared by:

Ehlers
3060 Centre Pointe Drive
Roseville, Minnesota 55113

BUILDING COMMUNITIES. IT'S WHAT WE DO.

TABLE OF CONTENTS

I. INTRODUCTION	2
II. PURPOSE	2
III. PLANNING PROCESS	3
IV. PROJECT SUMMARY	4
V. FINANCING	4
VI. PLAN CONTINUATION	5
APPENDIX A: PROJECT COSTS	6
APPENDIX B: SOURCES & USES	7

I. INTRODUCTION

In 2002, the Minnesota State Legislature passed into law a bill which generally exempts city bonds issued under a street reconstruction program from the referendum requirements usually required for bonding expenditures. In 2013 the Legislature amended the law to allow bituminous overlays to be included in the street reconstruction program. The authorization is contained in Minnesota Statutes, Section 475.58, subdivision 3b (the “Act”).

II. PURPOSE

A street reconstruction program represents a major expenditure of city funds for the reconstruction or bituminous overlay of public streets. As defined in the Act, street reconstruction and bituminous overlay projects may include utility replacement and relocation and other incidental costs, turn lanes and other improvements having a substantial public safety function, realignments, other modifications to intersect with state and county roads, and the local share of state and county road projects. Except in the case of turn lanes, safety improvements, realignments, intersection modifications, and local share of state and county road projects, street reconstruction and overlays do not include the portion of project costs allocable to widening a street or adding curbs and gutters where none previously existed.

A Street Reconstruction and Overlay Plan (SROP) is a document designed to anticipate street reconstruction and overlay expenditures and schedule them over a five-year period so that they may be purchased in the most efficient and cost-effective method. A SROP allows the matching of expenditures with anticipated income. As potential expenditures are reviewed, the city considers the benefits, costs, alternatives and impact on operating expenditures.

The City of Grand Rapids, Minnesota (the “City”) believes the street reconstruction and overlay process is an important element of responsible fiscal management. Major capital expenditures can be anticipated and coordinated to minimize potentially adverse financial

impacts caused by the timing and magnitude of capital outlays. This coordination of capital expenditures is important to the City in achieving its goals of adequate physical assets and sound fiscal management. Good planning is essential for the wise use of limited financial resources. The SROP is designed to be updated on an as needed basis.

III. PLANNING PROCESS

The City Council annually reviews its capital expenditures according to their priority, fiscal impact, and available funding as part of its Capital Improvement Plan (CIP) process. The City assembles the specific capital expenditures to be undertaken within the next five years. The City Council prepares a plan based on the available funding sources. From this information, a preliminary CIP is prepared for public discussion from citizens and other governmental units. Changes are made based on that input, and a final plan is established.

Over the life of the CIP, once the funding becomes available the individual capital expenditures can be made as part of individual project approvals. In subsequent years, the process is repeated as expenditures are completed and new needs arise.

If bonding is necessary, the City works with its financial advisor to prepare a bond sale and repayment schedule. Street reconstruction and overlay planning occurs separately from the CIP process focusing specifically on street reconstruction and overlay projects to be financed with general obligation street reconstruction bonds under provisions of the Act. The SROP is to describe the identified street reconstruction and overlay projects to be financed, their estimated costs, and any planned reconstruction or overlay of other streets in the City over the next five years.

For a city to use its authority under the Act to finance street reconstruction and bituminous overlay expenditures with general obligation bonds, it must meet the requirements provided therein.

Specifically, the city must hold a public hearing for public input on a SROP. Notice of such hearing must be published in the official newspaper of the city at least 10, but not more than 28 days prior to the date of the public hearing. In addition, the council must approve the SROP and issuance of street reconstruction bonds by a two-thirds majority vote of its membership present at the meeting following a public hearing.

Although a referendum is not required, a reverse referendum is allowable. If a petition requesting a vote on the issuance of bonds bearing the signatures of at least 5 percent of the votes cast in the last municipal general election is filed with the municipal clerk within 30 days after the public hearing, a referendum vote on the issuance of the bonds shall be required to authorize the issuance. If the municipality elects not to submit the question to the voters, the municipality shall not propose the issuance of bonds under the Act for the same purpose for a period of 365 days from the date of receipt of the petition.

IV. PROJECT SUMMARY

The expenditures to be undertaken with this 2025 to 2029 SROP are limited to those listed in Appendix A. All other foreseeable capital expenditures within the City government will come through other means or through an amendment to this SROP.

V. FINANCING

The total amount of requested expenditures under the SROP is up to \$4,000,000. If these expenditures are to be funded, that amount of money is anticipated to be generated through a combination of special assessments, tax levy, capital funds, municipal state-aid, and the sale of general obligation street reconstruction plan bonds over the five-year period.

In the financing of the SROP, one statutory limitation applies. Under Chapter 475, with few exceptions, cities cannot incur debt in excess of

3% of the assessor’s estimated market value (EMV) for the city. The City’s Pay 2024 EMV is \$1,136,943,200. (Pay 2025 is not yet available.) As noted in the table below, the City’s debt subject to this requirement, including the proposed bond issue, is within the required threshold:

Net Debt Limit	
Assessor's Estimated Market Value	1,136,943,200
Multiply by 3%	0.03
Statutory Debt Limit	34,108,296
Less: Debt Paid Solely from Taxes	17,935,000
Less: Proposed Bond Issue(s)	3,515,000
Unused Debt Limit	55,558,296

Under the SROP, the City plans to issue up to \$4,000,000 in general obligation bonds in the year 2025 to finance the street improvements for the 3rd Avenue NE project (Project No. 2010-1). No future financing is anticipated under this SROP at this time. The bond sizing is based upon funding the estimated project amounts listed in Appendix A plus estimated issuance costs and contingency. Current estimates of size and repayment of the general obligation street reconstruction and overlay bonds under consideration is shown in Appendix B.

VI. PLAN CONTINUATION

This SROP should be reviewed annually as needed by the City Council using the process outlined in this document. It should review proposed expenditures, make priority decisions, and seek funding for those expenditures it deems necessary for the City. If deemed appropriate, the Council should prepare an update to this SROP.

APPENDIX A

Plan Project Costs:

The 2025 capital expenditure of approximately \$4,000,000 for the City's 2024/25 3rd Avenue NE road reconstruction and bituminous overlay project is to be funded with up to \$4,000,000 in bond proceeds.

Project Costs		
Year	Project	Amount
2025	2025 Road Reconstruction	\$ 4,000,000
2026	None Anticipated	\$ -
2027	None Anticipated	\$ -
2028	None Anticipated	\$ -
2029	None Anticipated	\$ -
TOTAL		\$ 4,000,000

Proposed SROP Bond Issues:

Proposed SROP Bond Issues		
Year		Amount
2025	\$	4,000,000
2026	\$	-
2027	\$	-
2028	\$	-
2029	\$	-
TOTAL	\$	4,000,000

APPENDIX B

Proposed 2025 SROP Bond Issue:

Total Issue Sources And Uses

Dated 03/27/2025 | Delivered 03/27/2025

	Street Reconstruction	Water	Sanitary Sewer	Issue Summary
Sources Of Funds				
Par Amount of Bonds	\$3,515,000.00	\$850,000.00	\$815,000.00	\$5,180,000.00
IEIP Credit	-	72,267.63	69,433.60	141,701.23
Total Sources	\$3,515,000.00	\$922,267.63	\$884,433.60	\$5,321,701.23
Uses Of Funds				
Total Underwriter's Discount (1.200%)	42,180.00	10,200.00	9,780.00	62,160.00
Costs of Issuance	56,321.42	13,619.70	13,058.88	83,000.00
Deposit to Capitalized Interest (CIF) Fund	113,643.22	-	-	113,643.22
Deposit to Project Construction Fund	3,301,909.00	899,157.00	859,832.00	5,060,898.00
Rounding Amount	946.36	(709.07)	1,762.72	2,000.01
Total Uses	\$3,515,000.00	\$922,267.63	\$884,433.60	\$5,321,701.23

City of Grand Rapids, Minnesota

\$3,515,000 General Obligation Bonds, Series 2025A
Street Reconstruction

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I	Fiscal Total
03/27/2025	-	-	-	-	-
02/01/2026	-	-	113,643.22	113,643.22	113,643.22
08/01/2026	-	-	67,288.75	67,288.75	-
02/01/2027	180,000.00	3.550%	67,288.75	247,288.75	314,577.50
08/01/2027	-	-	64,093.75	64,093.75	-
02/01/2028	185,000.00	3.550%	64,093.75	249,093.75	313,187.50
08/01/2028	-	-	60,810.00	60,810.00	-
02/01/2029	195,000.00	3.550%	60,810.00	255,810.00	316,620.00
08/01/2029	-	-	57,348.75	57,348.75	-
02/01/2030	200,000.00	3.550%	57,348.75	257,348.75	314,697.50
08/01/2030	-	-	53,798.75	53,798.75	-
02/01/2031	205,000.00	3.550%	53,798.75	258,798.75	312,597.50
08/01/2031	-	-	50,160.00	50,160.00	-
02/01/2032	215,000.00	3.550%	50,160.00	265,160.00	315,320.00
08/01/2032	-	-	46,343.75	46,343.75	-
02/01/2033	220,000.00	3.650%	46,343.75	266,343.75	312,687.50
08/01/2033	-	-	42,328.75	42,328.75	-
02/01/2034	230,000.00	3.650%	42,328.75	272,328.75	314,657.50
08/01/2034	-	-	38,131.25	38,131.25	-
02/01/2035	240,000.00	3.850%	38,131.25	278,131.25	316,262.50
08/01/2035	-	-	33,511.25	33,511.25	-
02/01/2036	250,000.00	3.900%	33,511.25	283,511.25	317,022.50
08/01/2036	-	-	28,636.25	28,636.25	-
02/01/2037	255,000.00	3.950%	28,636.25	283,636.25	312,272.50
08/01/2037	-	-	23,600.00	23,600.00	-
02/01/2038	270,000.00	4.050%	23,600.00	293,600.00	317,200.00
08/01/2038	-	-	18,132.50	18,132.50	-
02/01/2039	280,000.00	4.100%	18,132.50	298,132.50	316,265.00
08/01/2039	-	-	12,392.50	12,392.50	-
02/01/2040	290,000.00	4.150%	12,392.50	302,392.50	314,785.00
08/01/2040	-	-	6,375.00	6,375.00	-
02/01/2041	300,000.00	4.250%	6,375.00	306,375.00	312,750.00
Total	\$3,515,000.00	-	\$1,319,545.72	\$4,834,545.72	-



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider approving a resolution approving a street reconstruction plan and authorizing the issuance of general obligation street reconstruction bonds.

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

The city recently reconstructed portions of 3rd Avenue NE and adjacent street under CP 2010-1. To pay for the improvements, the city must issue GO Reconstruction Bonds. In order to issue the bonds, the city must approve the attached resolution.

REQUESTED COUNCIL ACTION:

Make a motion approving a resolution approving a street reconstruction plan and authorizing the issuance of general obligation street reconstruction bonds.

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. ____

**RESOLUTION APPROVING A STREET RECONSTRUCTION
PLAN AND AUTHORIZING THE ISSUANCE OF GENERAL
OBLIGATION STREET RECONSTRUCTION BONDS**

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

Section 1. Background.

1.01. The City Council has found and determined that certain streets in the City are in need of reconstruction, repair and improvement.

1.02. The City is authorized under Minnesota Statutes, Section 475.58, subdivision 3b, as amended (the “Act”) to prepare a plan for street reconstruction in the City over the next 5 years that will be financed under the Act, including a description of the proposed work and estimated costs. Pursuant to the Act, the City may issue general obligation bonds to finance the cost of street reconstruction activities described in the plan.

1.03. Before the approval of the street reconstruction plan and the issuance of any bonds under the Act, the City is required to hold a public hearing on the plan and the issuance of bonds thereunder.

1.04. Pursuant to the Act, the City, in consultation with its City engineer, has caused preparation of its Five-Year Street Reconstruction & Overlay Plan, 2025-2029 (the “Plan”), describing certain street reconstruction and overlay activities and the estimated costs of the Plan over the five-year period covered by the Plan. The reconstruction activities described in the Plan include, but are not limited to, reconstruction and overlay work on roads within the City, including the Third Avenue NE reconstruction and bituminous overlay project, as described in more detail in the Plan (the “Street Reconstruction Project”).

1.05. The City has determined that it is in the best interests of the City to authorize the issuance and sale of one or more series of general obligation street reconstruction bonds pursuant to the Act in the maximum principal amount of \$4,000,000 (the “Bonds”). The purpose of the Bonds is to finance the costs of the Street Reconstruction Project as described in the Plan.

1.06. On the date hereof, the City Council held a public hearing on the Plan and the issuance of the Bonds, after publication in the City’s official newspaper of a notice of public hearing at least 10 days but no more than 28 days before the date of the public hearing.

Section 2. Plan Approved; Bonds Authorized.

2.01. The City Council finds that the Plan will improve the City’s system of public roads, which serves the interests of the City as a whole, and approves the Plan in the form presented at the public hearing and on file at City Hall.

2.02. Pursuant to Minnesota Statutes, Section 462.356, subd. 2, the Council, by at least a two-thirds vote of all of its members, finds that the Plan and the improvements to be financed with the Bonds do not impact and do not have a relationship to the City’s comprehensive plan; the Plan and improvements

are consistent with the City’s comprehensive plan; therefore, the Council dispenses with the requirements of Minnesota Statutes, Section 462.356, subd. 2 relating to planning commission review of the Plan and the improvements.

2.03. The City Council authorizes the issuance of the Bonds in accordance with the Plan. City staff and consultants are authorized to take all actions necessary to negotiate the sale of the Bonds, subject to the contingency described in Section 2.04 hereof.

2.04. If a petition requesting a vote on the issuance of the Bonds signed by voters equal to 5% of the votes cast in the last municipal general election is filed with the City Clerk within 30 days after the date of the public hearing, the City may issue the Bonds under the Act only after obtaining approval of a majority of voters voting on the question at an election. The authorization to issue the Bonds is subject to expiration of the 30-day period without the City’s receipt of a qualified petition under the Act, or if a qualified petition is filed, upon the approving vote of a majority of the voters voting on the question of issuance of the Bonds.

2.05. City staff are authorized and directed to take all other actions necessary to carry out the intent of this resolution.

Approved by the City Council of the City of Grand Rapids, Minnesota, this 10th day of February, 2025.

Mayor

ATTEST:

City Clerk



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

REQUEST FOR COUNCIL ACTION

AGENDA DATE: February 10, 2025

AGENDA ITEM: Consider approving a resolution providing for the issuance and sale of general obligation bonds, Series 2025A in the proposed aggregate principal amount of \$5,180,000.

PREPARED BY: Tom Pagel, City Administrator

BACKGROUND:

The city recently reconstructed portions of 3rd Avenue NE and adjacent street under CP 2010-1. To pay for the improvements, the city must issue GO Reconstruction Bonds. In order to issue the bonds, the city must approve the attached resolution.

REQUESTED COUNCIL ACTION:

Make a motion approving a resolution providing for the issuance and sale of general obligation bonds, Series 2025A in the proposed aggregate principal amount of \$5,180,000.

RESOLUTION NO. ____

**RESOLUTION PROVIDING FOR THE ISSUANCE AND SALE OF
GENERAL OBLIGATION BONDS, SERIES 2025A IN THE
PROPOSED AGGREGATE PRINCIPAL AMOUNT OF \$5,180,000**

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

Section 1. Bonds Authorized

1.01. It is hereby found, determined and declared that the City should issue its General Obligation Bonds, Series 2025A (the “Bonds”) in the approximate principal amount of \$5,180,000, in order to finance street reconstruction and overlay projects (the “Street Reconstruction”) described in the City’s Five-Year Street Reconstruction and Overlay Plan (the “Plan”) and various improvements to the City’s utility systems (the “Utility Improvements”) (collectively, the “Project”), including costs of issuance of the Bonds, subject to further details regarding the sale of the Bonds to be set forth in a resolution to be considered by the City Council at a subsequent meeting.

1.02. City staff are authorized and directed to take all other actions necessary to carry out the intent of this resolution.

Section 2. Authority of Municipal Advisor. Ehlers and Associates, Inc. (the “Municipal Advisor”) is authorized and directed to negotiate the sale of the Bonds. The City Council will meet on Monday, March 10, 2025, or another date selected by City staff, to consider proposals on the Bonds and take any other appropriate action with respect to the Bonds.

Section 3. Authority of Bond Counsel. The law firm of Kutak Rock, LLP as bond counsel for the City (“Bond Counsel”), is authorized to act as bond counsel and to assist in the preparation and review of necessary documents, certificates and instruments relating to the Bonds. The officers, employees and agents of the City are hereby authorized to assist Bond Counsel in the preparation of such documents, certificates, and instruments.

Section 4. Covenants. In the resolution awarding the sale of the Bonds, the City Council will set forth the covenants and undertakings required by Minnesota Statutes, Chapter 444 and Minnesota Statutes, Chapter 475, as amended (collectively, the “Act”).

Section 5. Official Statement. In connection with the sale of the Bonds, the officers or employees of the City are authorized and directed to cooperate with the Municipal Advisor and participate in the preparation of an official statement for the Bonds and to deliver it on behalf of the City upon its completion.

Approved this February 10, 2025 by the City Council of the City of Grand Rapids, Minnesota.

CITY OF GRAND RAPIDS, MINNESOTA

Mayor

ATTEST:

City Clerk