



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, April 07, 2022
3:00 PM

NOTICE IS HEREBY GIVEN, that a special meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, April 7, 2022 at 3:00 PM.

CALL TO ORDER

CALL OF ROLL

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

BUSINESS

1. Consider a request for a survey by Cambium Development and approve a proposal from SEH for an ALTA survey.
2. Reconvene consideration of a resolution in support of assisting ISD #318 in financing an adaptive reuse of the former Southwest Elementary School for the School District's program and facility consolidation and approve the cover letter to be submitted with it to the ISD #318 Board of Education.

UPDATES

ADJOURN

MEMBERS & TERMS

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

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

Cory Jackson - 3/1/23

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: April 7, 2022

STATEMENT OF ISSUE: Consider a request for a survey by Cambium Development and approve a proposal from SEH for an ALTA survey.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA recently extended the Preliminary Development Agreement with Cambium Development LLC regarding Cambium's proposed purchase and development of the GREDA Downtown Block 18 site (former VFW/Rose). Within the Preliminary Development Agreement, the agreed purchase price for the site is \$149,500, which matches GREDA's asking price for the property. GREDA established this asking price prior to Cambium approaching GREDA.

At the time GREDA established the asking price, the anticipated possible need for an ALTA survey of the property by future buyers was discussed. GREDA decided to hold off on that expense pending the actual need by an actual developer, at which time it could be discussed/negotiated.

Cambium Development has submitted a request for GREDA to contract for this survey work as it is needed for their continued design of the proposed building. I have attached the quote we previously received for this work over a year ago. I have requested an updated proposal from SEH, which will be ready for review at this meeting.

If the Cambium Development does not materialize as we expect it will, GREDA will own this survey and it will be useful for another buyer. I have countered this request from Cambium with a request/expectation that if the project does move forward, GREDA would receive compensation for 50% of the cost of this survey at closing.

RECOMMENDATION:

Consider approval of a proposal from SEH for an ALTA survey.

REQUIRED ACTION: Pass a motion approving the survey proposal from SEH.

Cambium Development, LLC

4/01/2022

Grand Rapids Economic Development Authority
420 N Pokegama Ave,
Grand Rapids, MN 55744

RE: Former VFW site, PIN 91-410-1840, 91-410-1850

Mr Rob Mattei

To assist the design of Cambium Development's (Cambium) planned improvements and the ultimate purchase of the Former VFW site, it is necessary to have a proper survey of the subject property - a survey that we have been informed does not currently exist. This survey should be recorded with Itasca County and become a permanent record for the current owner the Grand Rapids Economic Development Authority (GREDA) and any future owners.

To assist GREDA, a proposal from a two local engineering firms to complete the work is enclosed. Upon review, you will note that some of the tasks are in addition to a boundary survey; these tasks are specific to Cambium's project and as such they do not add value to GREDA's ownership of the subject parcels. The cost of those tasks shall be paid directly by Cambium.

Cambium respectfully requests that GREDA contract with a Registered Land Surveyors to conduct a boundary survey and provide and record a Certificate of Survey of the parcels identified above at its sole cost. If Cambium Development's project is successful, a cost sharing arrangement can be negotiated as a part of the Purchase Agreement.

Feel free to call my associate Kevin Pieper at 612-718-0352 with any questions.

Sincerely,



Melissa Jaspersen
President JLJ Management, LLC
on behalf of Cambium Development, LLC



Building a Better World
for All of Us®

January 22, 2021

RE: Grand Rapids Economic
Development Authority
NW 3rd Street ALTA/NSPS Survey
PID 91-410-1850 and 91-410-1840

Wellson Group, Inc.
Steven R. Welliver
215 NW 1st Ave
Grand Rapids, MN

Dear Mr. Welliver:

Short Elliott Hendrickson Inc. (SEH®) is pleased to submit this budget estimate for the potential future ALTA/NSPS survey needs for two adjacent properties on NW 3rd Street in Grand Rapids, Minnesota. Based on our conversation and knowledge of the project, I have outlined our survey services below.

Project Overview

We've developed this proposed scope of work to provide ALTA/NSPS survey documents in order to assist others in evaluating the property in potential upcoming real estate transactions.

Work Plan

Task 1 ALTA/NSPS Survey of Subject Properties \$4,800 - \$6,500

- ALTA/NSPS 2021 standards will apply
- PID 91-410-1850 and 91-410-1840 to be surveyed and depicted together
- Field survey
- Survey records research
- Drafting and depiction of current site conditions as of the date of the field survey
- Analysis, drafting, and depiction of plottable survey matters disclosed in the Title Commitment and/or discovered by the surveyor during the course of the survey
- Incorporation of review comments
- Signed final survey document in pdf and scaled, printed originals

Deliverables for this work will consist of property corners found and/or set, signed final survey document in pdf and up to four scaled, printed originals (additional printed copies may require additional reproduction and shipping fees).

Assumptions

Our work plan and deliverables were built on the following assumptions:

- "2021 Table A" items 1, 2, 3, 4, 6a, 7a, 7b, 8, 9, 10, 11, 13, 14, 16, and 17
- Title commitment and needed recorded documents provided by others

Engineers | Architects | Planners | Scientists

Short Elliott Hendrickson Inc., 1200 SW 4th Avenue, Suite 200, Grand Rapids, MN 55744-4304

SEH is 100% employee-owned | sehinc.com | 218.322.4500 | 888.908.8166 fax

- Zoning letter or report provided by others
- Work site will be safely accessible by SEH personnel
- Documents and materials provided by others will be received in a timely manner and will not delay SEH progress or schedule
- This area is known to be within a very old subdivision plat, and generally benefits from relatively few guiding survey control monuments. For the purpose of this budget estimate, SEH assumes that any needed survey control monuments will be in place and usable.
- Modifications to plan may result in modifications to our work plan and fee

Schedule

We will begin work upon execution of a contract. Delivery of a pdf draft survey within 30 calendar days of project authorization.

Fee Estimate

Since we have not been provided with a title commitment at this time, we cannot provide a firm lump sum cost estimate, but have instead provided a budget range of \$4,800 to \$6,500 to complete our services which would be billed on a lump sum basis. Conditions which would drive the cost include site condition at the time of the field survey, "Table A" items actually required by the lender, client, or insurer, and number and nature of title insurance "Schedule B-II Exceptions" that are survey matters. Should the two properties need to be surveyed and plotted separately, rather than on one survey as is considered in this work plan, we may wish to provide a revised scope and fee estimate.

We look forward to discussing this project with you further. If you have any questions, please contact me at 218.343.0757 or via email at clarsen@sehinc.com.

Sincerely,

SHORT ELLIOTT HENDRICKSON INC.



Chris A. Larsen, PLS (MN)
c: File

BUILDING SYSTEMS

STRUCTURE
 FOUNDATIONS: POURED REINF CONCRETE
 FLOOR SYSTEMS: PRECAST CONCRETE WITH CONCRETE TOPPING
 STRUCTURE - LOWER LEVEL AND LOBBY: STEEL POST & BEAM; SPRAY FIREPROOFED
 STRUCTURE - HOTEL FLOORS: CMU BEARING
 STRUCTURE - ROOF: PRECAST CONCRETE
 FLOOR ON GRADE: POURED CONCRETE SLAB

EXTERIOR ENVELOPE
 EXTERIOR WALL SYSTEMS: STEEL STUD FRAMING; CMU WALLS
 EXTERIOR FINISH: BRICK MASONRY VENEER; ARCHITECTURAL METAL PANELS
 ROOF SYSTEM: EPDM INSULATED WITH INTERNAL ROOF DRAINS
 WINDOWS: THERMALLY BROKEN ALUMINIUM STOREFRONT WITH 1" INSULATED GLASS
 DOORS: ALUMINIUM STOREFRONT

INTERIOR SYSTEMS
 ELEVATOR: HYDRAULIC ELEVATOR, 2500# CAPACITY
 STAIRS: STEEL PAN AND CONCRETE

MECHANICAL SYSTEMS
 HOTEL ROOMS: SELF CONTAINED PTAC UNIT FOR HEAT AND AC
 LOBBY AND LOWER LEVEL: CENTRAL AIR HANDLING UNIT, DUCTED SYSTEM, HEATING & AC

ENERGY:
 BUILDING ENVELOPE TO MEET ENERGY CODE
 LIGHTING: LED FIXTURES

BUILDING CODE
 CONSTRUCTION TYPE: TYPE II-A
 OCCUPANCY: R-1, A-2
 FIRE PROTECTION: FULL AUTO SPRINKLER SYSTEM



1 ARCHITECTURAL SITE PLAN
1/16" = 1'-0"

PRINT 24" x 36"
C:\Users\jgordon\Documents\Projects\GR HOTEL\Grand Rapids Hotel.rvt



GRAND RAPIDS BOUTIQUE HOTEL
GRAND RAPIDS, MN

SITE PLAN

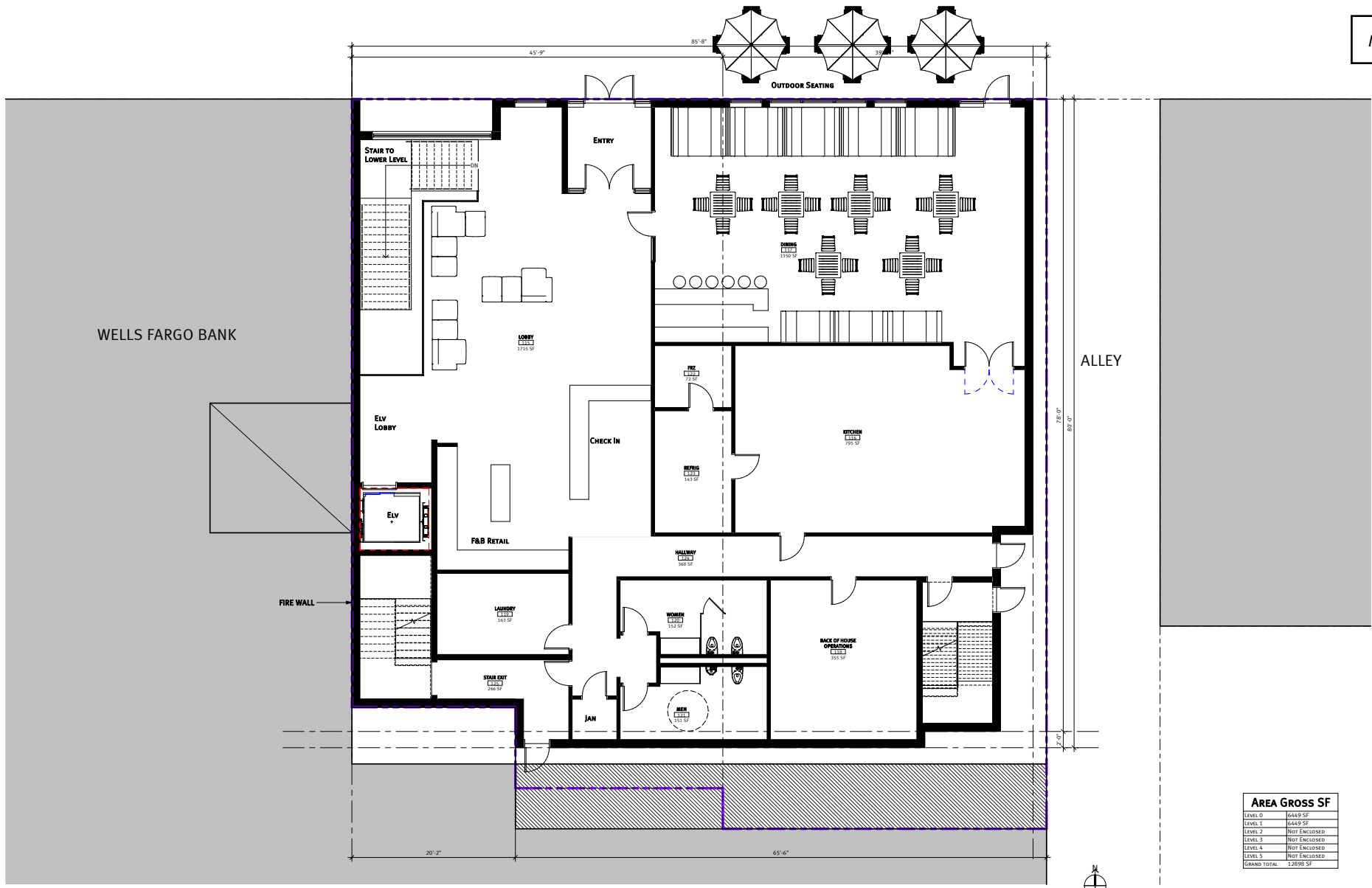
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PRE DESIGN
A1

COPYRIGHT DSGW



Item 1.



AREA GROSS SF	
LEVEL 0	6449 SF
LEVEL 1	6449 SF
LEVEL 2	NOT ENCLOSED
LEVEL 3	NOT ENCLOSED
LEVEL 4	NOT ENCLOSED
LEVEL 5	NOT ENCLOSED
GRAND TOTAL	12898 SF

1 LEVEL 1 FLOOR PLAN
3/16" = 1'-0"



GRAND RAPIDS BOUTIQUE HOTEL
GRAND RAPIDS, MN

MAIN FLOOR LEVEL
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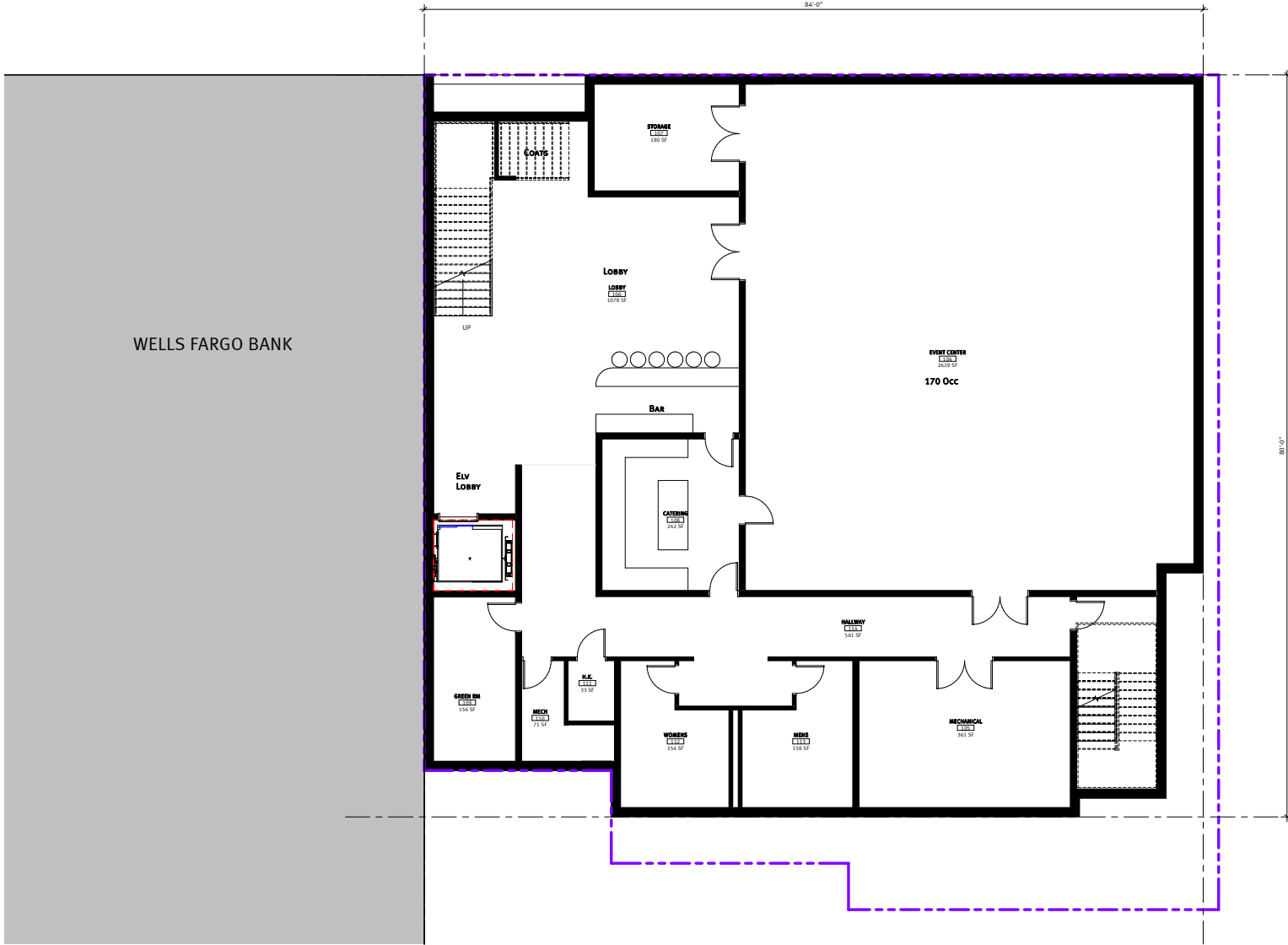
PRE DESIGN
A2
COPYRIGHT DSGW

SCHEMATIC DRAWINGS

CONCEPT DEISGN
Grand Rapids Boutique Hotel



PRINT 24" X 36"
C:\Users\krcrow\Documents\Projects\GR Hotel\Grand Rapids Hotel.rvt



PRINT 24" x 36"
C:\Users\jgdm\Documents\Projects\GR HOTEL\Grand Rapids Hotel.rvt



① LEVEL 0
3/16" = 1'-0"

GRAND RAPIDS BOUTIQUE HOTEL

GRAND RAPIDS, MN

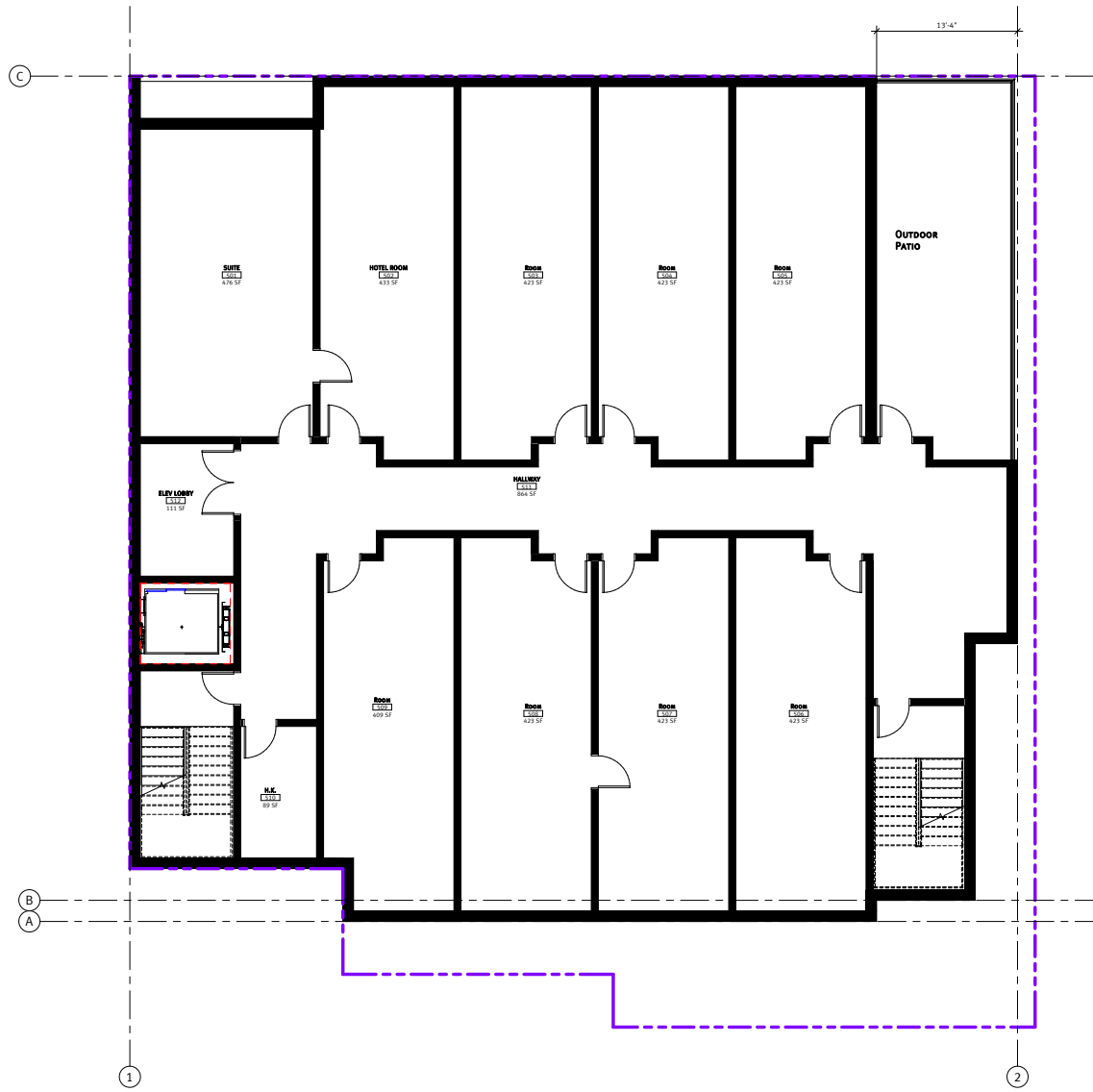
LOWER LEVEL PLAN

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PRE DESIGN
A3

COPYRIGHT DSGW





PRINT 24" X 36"
C:\Users\GSE\OneDrive\Projects\Marketing\GR HOTEL\Grand Rapids Hotel.rvt



LEVEL 5
GRAND RAPIDS BOUTIQUE HOTEL
 GRAND RAPIDS, MN

FIFTH FLOOR PLAN
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PRE DESIGN
A5
 COPYRIGHT DSGW

SCHEMATIC DRAWINGS

CONCEPT DESIGN
Grand Rapids Boutique Hotel





EXTERIOR CONCEPT

CONCEPT DEISGN
Grand Rapids Boutique Hotel



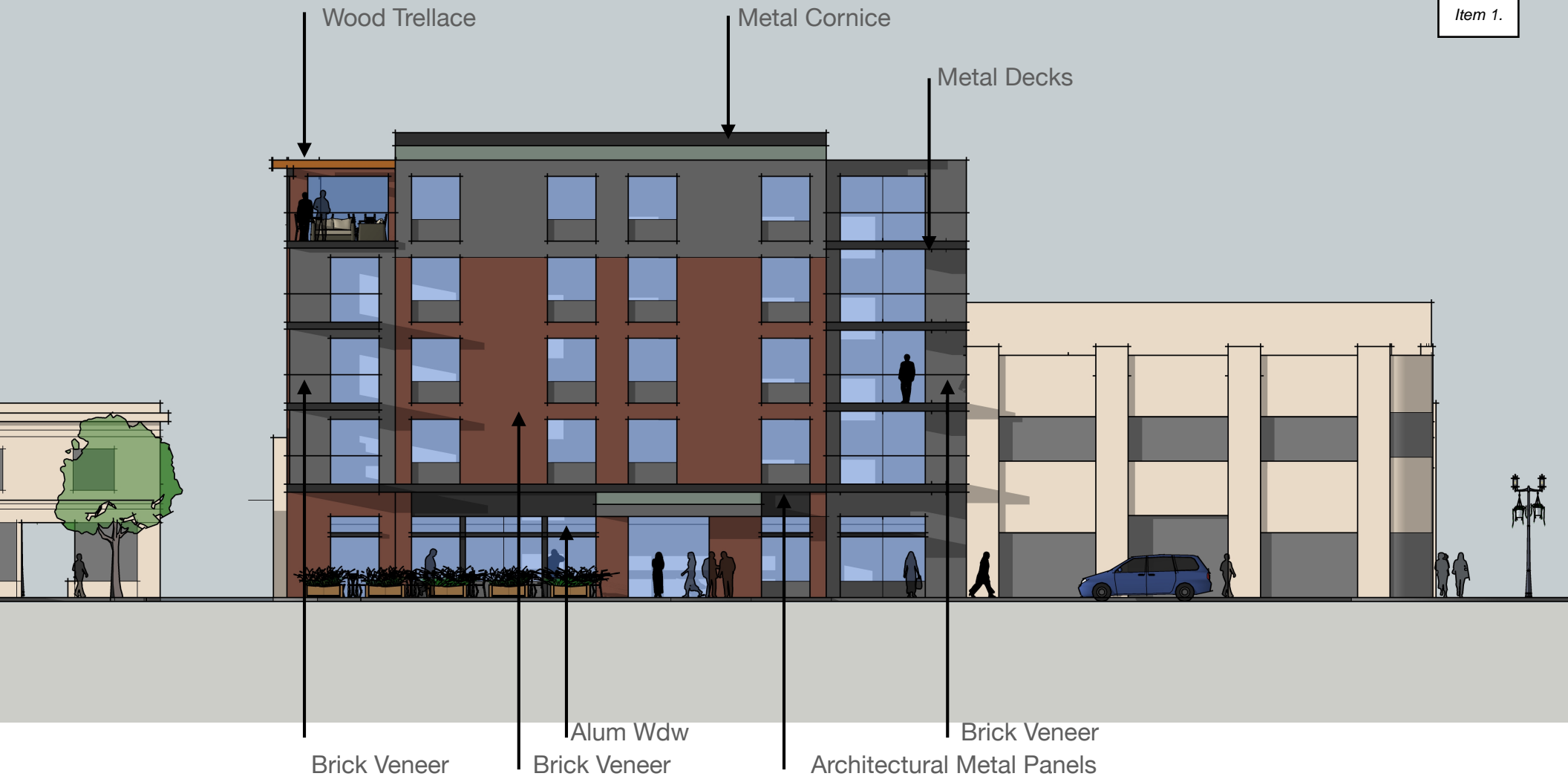
EXTERIOR CONCEPT

CONCEPT DEISGN
Grand Rapids Boutique Hotel



EXTERIOR CONCEPT

CONCEPT DEISGN
Grand Rapids Boutique Hotel



EXTERIOR CONCEPT

CONCEPT DEISGN
Grand Rapids Boutique Hotel

Interior Finish Schedule

Lobby/Public Spaces

Floor: Tile

Ceilings: Suspended, Decorative Suspended

Finishes: Wood Trim

Walls: Wall Fabric, Wood Trim, Paint

Event Center

Floor: Tile / Carpet

Ceilings: Suspended

Walls: Wall Fabric, Wood Trim, Paint

Restaurant

Floor: Tile / Luxury Vinyl

Ceilings: Suspended

Walls: Wall Fabric, Wood Trim, Paint

Lodging Rooms

Floor: Tile / Carpet

Ceilings: Suspended

Walls: Wall Fabric, Paint

PROPOSED FINSHES

CONCEPT DESIGN

Grand Rapids Boutique Hotel



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: April 7, 2022

STATEMENT OF ISSUE: Reconvene consideration of a resolution in support of assisting ISD #318 in financing an adaptive reuse of the former Southwest Elementary School for the School District's program and facility consolidation and approve the cover letter to be submitted with it to the ISD #318 Board of Education.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

At the March 31 meeting, GREDA discussed a recent revision to the general structure of the proposed collaboration with ISD #318, which involved:

- The ownership of the renovated Southwest School building would be separated between administrative and classroom functions through a condominium plat.
- The \$2.0M of State Bond funds, if the proposed legislation were approved, would be provided to a Joint Powers Board (JPB) to be formed through a Joint Powers Agreement between GREDA and the School District.
- The JPB would be the owner of that portion of the building used for administrative purposes, and the JPB would use State Bond funds to renovate that space.
- The School District would own the other portion of the building and grounds and would use other funds available to the District to fund the renovation of those spaces.
- With this funding structure, is not necessary for GREDA to issue any bonds or incur any debt, direct or indirect expense for the project.
- The rules and statutes that govern the use of State Bond funds for improvements to public buildings will require that the JPB be the owner, operator and lessor of the administrative portion of the building for a time period equivalent to 125% of the useful life of the State Bond funded improvements.

GREDA understands that there are a lot of details to be worked out between the School District, the State Office of Management and Budget and GREDA, should GREDA agree to move forward and if this special legislation is passed. Without those details, GREDA felt it should consider a cover letter to be sent to the School Board along with the resolution, should it be approved. Staff, with the assistance of our attorney, have prepared a draft of that letter.

RECOMMENDATION:

Reconvene consideration of a resolution in support of assisting ISD #318 in financing an adaptive reuse of the former Southwest Elementary School for the School District’s program and facility consolidation and approve the cover letter to be submitted with it to the ISD #318 Board of Education.

REQUIRED ACTION:



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

ECONOMIC DEVELOPMENT AUTHORITY

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

April 7, 2022

Chair Malissa Bahr and School Board Directors
 Independent School District 318
 820 NW 1st Avenue
 Grand Rapids, MN 55744

Dear Board of Directors:

RE: Grand Rapids Economic Development Authority Resolution of Support

The Grand Rapids Economic Development Authority (GREDA) appreciates the challenges faced in providing our youth with the finest education possible. A quality education shapes a quality future workforce, which aligns with the mission that GREDA pursues for the Grand Rapids area.

With this common interest in mind, we have recently been engaged in discussions with Superintendent Grose regarding the School District's desire to collocate administrative and business functions together with the Area Learning Center and Community Education within a renovated former Southwest School. Superintendent Grose has explained the particular challenge of funding renovation costs associated with space dedicated to administrative use and the resistance of the State Legislature to move forward your proposed legislation to fund 50% of the \$4.0M project with State Bonds directed to the School District.

As you know, to overcome this obstacle, the School District requested that GREDA participate in this project as an alternative recipient of the requested State Bonds and that, furthermore, GREDA has been asked to provide a resolution of support, to be presented to the Legislature as evidence of GREDA's commitment to the project.

The structure of the proposed collaboration between GREDA and the School District has evolved during this discussion. GREDA's understanding of this revised structure is as follows:

- The ownership of the renovated Southwest School building would be separated between administrative and classroom functions through a condominium plat.
- The \$2.0M of State Bond funds, if the proposed legislation were approved, would be provided to a Joint Powers Board (JPB) to be formed through a Joint Powers Agreement between GREDA and the School District.
- The JPB would be the owner of that portion of the building used for administrative purposes, and the JPB would use State Bond funds to renovate that space.
- The School District would own the other portion of the building and grounds and would use other funds available to the District to fund the renovation of those spaces.

- With this funding structure, is not necessary for GREDA to issue any bonds or incur any debt, direct or indirect expense for the project.
- The rules and statutes that govern the use of State Bond funds for improvements to public buildings will require that the JPB be the owner, operator and lessor of the administrative portion of the building for a time period equivalent to 125% of the useful life of the State Bond funded improvements.

Based upon our understanding of this general proposed structure, and the urgent need expressed to GREDA to offer a timely resolution of support so it can provided to the Legislature, GREDA has adopted the attached resolution of support.

There are many elements to this proposed project funding and ownership structure, and many details between the School District, GREDA and the State Office of Management and Budget would need to be worked through should this special legislation be approved.

Without full knowledge of these details at this point, GREDA wants to be transparent with regard to our general expectations. GREDA's support and participation will require the following:

- In the unlikely event of a future default of the JPB under the grant contract with the State or if for any other reason MMB or another agency of the state of Minnesota requires repayment of the state bond proceeds, GREDA will not participate in funding any required repayment of the State Bond proceeds.
- All costs incurred by GREDA, both direct and administrative, in the furtherance of this project and its future operation will be reimbursed by the School District. GREDA shall not incur any expenses or costs in the rehabilitation or construction of the building for administrative purposes.
- In no event shall GREDA be responsible for any ongoing maintenance, improvement, insurance or operational costs of the property.
- The School District shall ensure that the facility complies with all requirements of state general obligation bond financed projects including Minnesota Statutes, Section 16A.695 and all the rules and regulations of Minnesota Management and Budget.
- The School District shall defend, indemnify, and hold GREDA and its employees, board members, officers, consultants, and agents harmless against all liabilities, losses, damages, costs, expenses (including reasonable attorneys' fees and expenses), causes of action, suits, claims, demands, and judgments of any nature (i) arising out of its actions or inactions pursuant to any joint powers agreement, (ii) arising from any injury to or death of any person or damage to property in or upon the property owned by the JPB, (iii) arising from any loss or damage to property owned by the JPB, and (iv) violation of any law, ordinance or regulation affecting the property owned by the JPB or the ownership, occupancy or use thereof.

As you can appreciate, the stipulations are intended to protect the interests of GREDA while allowing for us to assist the School District with this important project. Should you have any questions or concerns, please do not hesitate to speak with Rob Mattei, GREDA Executive Director.

Sincerely,

Sholom Blake
GREDA President

Enclosure

Cc: Superintendent Matt Grose

Grand Rapids Economic Development Authority Commissioner _____ introduced the following resolution and moved for its adoption:

RESOLUTION NO. 22 -

**A RESOLUTION IN SUPPORT OF
ASSISTING ISD #318 IN FINANCING AN ADAPTIVE REUSE OF THE FORMER SOUTHWEST ELEMENTARY
SCHOOL FOR ISD #318 PROGRAM AND FACILITY CONSOLIDATION**

WHEREAS, it is consistent with the mission of the Grand Rapids Economic Development Authority (GREDA) to support community efforts that support educating our future workforce; and

WHEREAS, it is also consistent with the mission of the GREDA to support efforts to improve and redevelop underutilized property and structures so as to make use of existing infrastructure and curb the negative effects of blight; and

WHEREAS, since their recent development of two new elementary schools, Independent School District #318 (ISD #318) owns a vacant former elementary school (Southwest Elementary) which they would like to remodel and repurpose to house the administrative/business offices of the School District as well as a relocation of the Area Learning Center and Community Education function; and

WHEREAS, according to ISD #318, the repurposing of Southwest Elementary would reduce operating costs, eliminate the leasing of private property, and would provide an opportunity for redevelopment of the existing administration building as additional single family housing by others; and

WHEREAS, School Districts have limited funding options to convert Southwest School for this purpose; and

WHEREAS, GREDA supports the School Districts proposed redevelopment of Southwest School; and

WHEREAS, GREDA is willing to take a collaborative role in the advancement of this important project by serving as a member of a Joint Powers Board which will act as a financial conduit for State Bonds if special legislation permits.

NOW, THEREFORE, BE IT RESOLVED BY THE ECONOMIC DEVELOPMENT AUTHORITY OF GRAND RAPIDS, MINNESOTA: that the Grand Rapids Economic Development Authority supports assisting ISD #318 in financing an adaptive reuse of the former Southwest Elementary School for program and facility consolidation, provided that GREDA determines that final agreements adequately protect GREDA from potential financial risk and cost

Adopted by the Grand Rapids Economic Development Authority this 7th, day of April 2022.

Sholom Blake, President

ATTEST:

Rob Mattei, Executive Director

Grand Rapids Economic Development Authority Commissioner _____ seconded the foregoing resolution and the following voted in favor thereof _____; and the following voted against; _____, whereby the resolution was declared duly passed and adopted.