



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, July 14, 2022  
4:00 PM

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, July 14, 2022 immediately following the closed meeting.

CALL TO ORDER

CALL OF ROLL

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

APPROVE MINUTES

1. Consider approval of the minutes from the May 26, 2022 regular meeting.

APPROVE CLAIMS

2. Consider approval of the July 14, 2022 claims in the amount of \$11,598.40.

BUSINESS

3. Consider approval of a resolution supporting an 8-unit owner occupied community land trust single-family housing development.
4. Consider approval of a lease with Mary Corwin for Suite 2 of Central School
5. Review and consider recommendations for draft 2023 GREDA Operations Budget and levy for Capital Projects Fund
6. Discuss Maintenance of GREDA Residential Home

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



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

**Thursday, May 26, 2022  
4:00 PM**

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, May 26th, 2022 immediately following the closed meeting.

## CALL TO ORDER

## CALL OF ROLL

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

## APPROVE MINUTES

1. Consider approval of the minutes from the May 12, 2022 regular meeting.

Motion by Commissioner Connelly, second by Commissioner Hodnik to approve the minutes from the May 12, 2022 regular meeting. The following voted in favor thereof: Hodnik, Bruns, Connelly, S. Blake, Jackson, Korte, R. Blake. Opposed: None, passed unanimously.

## APPROVE CLAIMS

2. Consider approval of claims in the amount of \$4,995.50.

Motion by Commissioner Hodnik, second by Commissioner Korte to approve claims in the amount of \$4,995.50. The following voted in favor thereof: R. Blake, Korte, Jackson, S. Blake, Connelly, Bruns, Hodnik. Opposed: None, passed unanimously.

## BUSINESS

## UPDATES

ASV- The MIF application in the amount of \$450,000 has been passed on to the Commissioner for approval.

IRRR Site Development Grant- Mr. Mattei submitted an application and has been awarded \$150,000 for the Cambium Development and the demolition of the old Janicke Bakery Building.

## ADJOURN

There being no further business the meeting adjourned at 5:09 p.m.

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

DRAFT

DATE: 07/08/2022  
 TIME: 10:12:13  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 07/14/2022

VENDOR #	NAME	AMOUNT DUE
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ECONOMIC DEVELOPMENT AUTHORITY		
0718000	GRAND RAPIDS ARTS	150.00
1105530	KENNEDY & GRAVEN, CHARTERED	22.00
TOTAL		172.00
EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
1105530	KENNEDY & GRAVEN, CHARTERED	2,090.00
TOTAL MISCELLANEOUS PROJECT		2,090.00
DOWNTOWN REDVELPMNT BLK 18-21		
0508450	EHLERS AND ASSOCIATES INC	1,055.00
1105530	KENNEDY & GRAVEN, CHARTERED	484.00
1900225	SEH	1,170.00
TOTAL DOWNTOWN REDVELPMNT BLK 18-21		2,709.00
AIRPORT SOUTH INDUSTRIAL PARKS		
0508450	EHLERS AND ASSOCIATES INC	687.50
0718010	CITY OF GRAND RAPIDS	1,590.00
1105530	KENNEDY & GRAVEN, CHARTERED	330.00
1415511	NORTHERN STAR COOPERATIVE SERV	568.17
2305451	WELLSON GROUP INC	1,350.00
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		4,525.67
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$9,496.67
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1309170	MN DEED	2,000.00
1621130	P.U.C.	101.73
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$2,101.73
TOTAL ALL DEPARTMENTS		\$11,598.40



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** July 14, 2022

**STATEMENT OF ISSUE:** Consider approval of a resolution supporting an 8-unit owner occupied community land trust single-family housing development.

**PREPARED BY:** Rob Mattei, Executive Director

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### BACKGROUND:

Since the fall of last year, staff has been working on redevelopment concepts for the former Forest Lake School property, now owned by GREDA. We have enlisted the assistance of the Greater Minnesota Housing Fund (GMHF) in that effort to look at a model similar to the past successful redevelopment of the former Middle School site, over a decade ago, into affordable, owner-occupied, single family homes.

Through these efforts, we have examined infrastructure needs and costs to serve approximately 24 single-family home sites, and we have obtained budget numbers, from a variety of contractors, for homes that are identical to those built for the Middle School project. Furthermore, we have compared those build costs to what homes would need to be priced at for a family earning approximately 100% of the area median income.

We have determined that, at this point, the gap between the increased cost to build these modest homes and what is an affordable purchase price for these working families, is too great to cover with the traditional programs offered by GMHF, Minnesota Housing Finance Agency (MHFA) and City TIF.

On a more positive note, a coalition of housing entities, including the Itasca County HRA, KOOTASCA Community Action and One Roof Community Housing recently have developed a proposed project that can potentially bring additional resources to bare to kick off the creation of some affordable owner-occupied housing at the GREDA Forest Lake School site.

The coalition is proposing to purchase eight home sites from GREDA and develop owner-occupied homes, four in year one and four more in year two. The proposed development will be structured as a community land trust (CLT), administered by One Roof Community Housing, a Duluth based CLT.

Under a CLT model, a family or individual purchases a house that sits on land owned by the CLT, thus the purchase price is more affordable because the homeowner is only buying the home and not the land. The homeowner leases the land from the CLT in a long-term, usually renewable, lease. Through the purchase of the home, the buyer agrees that when they eventually sell the home, the price is restricted to keep it affordable in perpetuity, however, they may be able to realize appreciation from improvements they make while they live in the house.

This proposed project has come to us with a short timeline for the GREDA's consideration. Applications for gap funding through the MHFA Community Homeownership Impact Fund are due on July 14. The ICHRA is preparing to submit for this project and has requested the City consider the use of TIF and to provide the sewer and water utility connections. As is always the case with MHFA funding, an endorsement and financial support from the community are necessary to be competitive.

The preliminary estimate for the infrastructure, engineering, and construction of sanitary sewer, water and alley construction, which would serve not only the 8 sites for this project but also approximately 16 more home sites on the GREDA property, is \$789,000. The preliminary list of funding sources for this include:

- American Recovery Plan Act (ARPA) City allotment \$408,000
- IRRRB \$300,000
- City PIR \$81,000

As stated within the draft resolution, GREDA's commitment to the project would be to consider the sale of 8 single family home sites, at a price of \$5,800/lot.

As you may recall, prior to GREDA receiving title to the former Forest Lake School property it was owned by the City, which resulted from a land swap with ISD #318. The assigned value of the Forest Lake School in that exchange was \$133,555. The price of \$5,800.00 per site is roughly based on that value divided by approximately 24 lots, which is more precisely \$5,565.00. It is our intent that MHFA will view the price of \$5,800 per lot as a discounted price and a contribution to the project by GREDA.

For the City to consider the approval of TIF, ICHRA will apply to the City, if they are successful with their MHFA application, and the normal TIF process will follow.

We anticipate that MHFA awards will be made in December, but in some cases that has carried over until January or February.

## **RECOMMENDATION:**

## **REQUIRED ACTION:**

Adopt a motion approving a resolution supporting an 8-unit owner occupied community land trust single-family housing development.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
GRAND RAPIDS, MN**

**RESOLUTION NO. 22-**

**RESOLUTION SUPPORTING AN 8-UNIT OWNER OCCUPIED COMMUNITY LAND  
TRUST SINGLE FAMILY HOUSING DEVELOPMENT IN THE CITY**

BE IT RESOLVED By the Grand Rapids Economic Development Authority (“GREDA”) of the City of Grand Rapids, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. In partnership with One Roof Community Housing and KOOTASCA Community Action, Itasca County Housing and Redevelopment Authority (ICHRA) (the “Developer”) has proposed the development of eight affordable, owner occupied, single-family homes on sites owned by the Grand Rapids Economic Development Authority (GREDA), at the former Forest Lake Elementary.

1.02. The proposed development would provide housing opportunities for working families earning 80% of the area median income or less and the future affordability of the homes would be ensured by the development being structured as a Community Land Trust.

1.03. The Developer has presented a proposal for the Development to the GREDA, which includes a request that GREDA consider financial assistance in the form of discounted land prices.

1.04. The Developer further intends to submit an application to the Minnesota Housing Finance Agency (the “MHFA”) for an award from the Community Homeownership Impact Fund (Impact Funds) for the Development, the success of which is predicated on support of the Development by the City of Grand Rapids through the commitment of tax increment financing for the project and by GREDA providing eight single-family home sites at a discounted price of \$5,800.00 per site.

1.05. GREDA has reviewed the proposal for the Development, and hereby finds and determines that the Development fulfills a need for high-quality affordable housing in the City of Grand Rapids, which is currently in short supply, as described in the Housing Study of November 2019 prepared by Community Research Partners and on file with the City Clerk.

Section 2. Endorsement of Development; Authorization of Tax Increment Financing.

2.01. GREDA hereby endorses the Development in substantially the form proposed by the Developer and supports the Developer’s application to MHFA for Impact Funds for the Development.



2.02. GREDA hereby authorizes staff to proceed with the process to consider the sale of eight sites to the Developer at the discounted price of \$5,800.00 per site. If the Developer has not secured an allocation of Impact Funds for the Development by February 28, 2023 this authorization shall expire and be of no further effect.

Adopted this 14<sup>th</sup> day of July 2022, by the Grand Rapids Economic Development Authority, Grand Rapids, Minnesota.

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President

ATTEST:

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Executive Director



**To:** Rob Mattei, Director of Community Development, City of Grand Rapids

**From:** Diane R. Larson, Executive Director

**Date:** July 6, 2022

**Subject:** Single Family Development Using the Land Trust Model

**Proposal and Partners:**

Itasca County HRA is partnering with One Roof Community Housing and Kootasca Community Action, Inc. to develop eight (8) affordable, owner occupied, single-family homes on sites at the former Forest Lake Elementary School. We anticipate building four (4) homes in 2023 and four (4) homes in 2024, contingent on a financing package we are assembling and a funding request to Minnesota Housing for gap financing. One Roof Community Housing is a nonprofit organization and for over 25 years has helped over 500 low- and moderate-income households buy their own homes through the Community Land Trust program. They will be providing technical assistance to the HRA with the goal of building this capacity locally. Kootasca Community Action, Inc. will assist with the homebuyer down payment assistance and education.

**What is a Community Land Trust?**

A Community Land Trust program assists people in need of housing now, while permanently preserving affordable housing in the community for future generations. Various sources of public and philanthropic capital are raised and used by the land trust to either construct new homes or purchase and rehabilitate homes in the community. A new family buys their house outright but leases the land underneath from the land trust. The homebuyer receives assistance with down payment funds to purchase the home and when they are ready to move, they agree to pass on the benefits they received by selling their home below market price to another income-qualified buyer. Through the formula used for the re-sale, the homeowner retains a portion of the increased market value of the home, so they benefit. The community benefits because the next family buys the house at a price that's been kept affordable.

**Application and Leverage:**

The Itasca County HRA intends to submit an application to Minnesota Housing for their Community Homeownership Impact Fund on or before July 14, 2022 and anticipates funding awards to be announced between December 2022 and February 2023. Other sources of leverage that are either committed or in the request stage include Iron Range Resources & Rehabilitation (IRRR), Kootasca, Greater Minnesota Housing Fund, Itasca County HRA, and the Minneapolis Foundation.

**Request to the City:**

The Itasca County HRA requests general support from the City of Grand Rapids for the proposed development and our application to Minnesota Housing for Impact Funds. Additionally, we are seeking the City's consideration of financial assistance in two forms. First, the use of tax increment financing and secondly, the use of American Recovery Plan funds and other City obtained funds to complete the installation of sanitary sewer and water services for the development. Both sources of financial assistance will be contingent upon the project receiving full funding by February 28, 2023.



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** July 14, 2022

**STATEMENT OF ISSUE:** Consider approval of a lease with Mary Corwin for Suite 2 of Central School

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

Mary Corwin, a local artist, is interested in leasing Suite 2, a 392 sq. ft. space located on the lower level of Central School. The proposed lease commences on July 1 and continues through December 31, 2022,

All aspects of this proposed lease are consistent with the standard lease used by GREDA, including the established rental rates for Suite 2.

With the addition of this lease 9 of the 15 spaces are occupied, equaling 51% of the total leasable building area.

### **RECOMMENDATION:**

Approve the lease with Mary Corwin for Suite 2 of Central School.

**REQUIRED ACTION:** Adopt a motion approving a lease with Mary Corwin for Suite 2 of Central School.

## **LEASE AGREEMENT**

This Lease Agreement, by and between the City of Grand Rapids, Minnesota, through its agent the Grand Rapids Economic Development Authority, hereinafter referred to as "Lessor" and **Mary Corwin**, jointly hereinafter referred to as "Lessee", entered into this **14th day of July, 2022**.

### **ARTICLE 1 - LEASED PREMISES**

1.1 In consideration of and subject to the mutual covenants, condition and obligations of this Lease Agreement to be kept and performed, the Lessor does hereby lease and demise to Lessee the premises identified in Exhibit "A" attached hereto, comprising approximately **392 square feet** together with the right to use in common with other lessees of the Central School their invitees, customer and employees, the elevators, stairways, halls, toilets and sanitary facilities, and all other general common facilities contained in the Central School, as well as the sidewalks, delivery areas, and appurtenances thereto, to be used by Lessee for the purposes generally described in Exhibit "B" attached hereto, in the Central School, Grand Rapids, Minnesota.

This Lease Agreement will also include two parking passes for the Lessee's use in the Central School lot at no additional cost to the Lessee. The Lessee will be provided one parking pass that must be displayed conspicuously by the Lessee. The Lessee will be able to park in any location within the parking lot of Central School. There will not be a designated parking spot. If the lot is full, the Lessee will utilize off street parking. This pass only applies to the Central School lot. If the pass is lost, stolen or needs to be replaced for any reason, there will be a \$25 plus tax replacement fee.

### **ARTICLE 2 - TERM**

2.1 The Term of this Lease Agreement shall commence on **July 1, 2022** and shall continue through **December 31, 2022** unless earlier terminated in accordance with the provisions of this Lease Agreement.

### **ARTICLE 3 -RENT**

3.1 Lessee shall pay to Lessor as rent for the leased premises the sums hereinafter provided in this Article 3.

The term "operating costs for the Central School Building" as used in this Article 3

shall exclude all costs related to the exterior grounds except signs promoting tenants but shall otherwise include all those direct costs of operation and maintenance to be incurred by Lessor, including by way of illustration but not limitation, (1) all utility charges (sewer, water, electricity, heat, garbage collection, elevator service) except telephone and other communications equipment; (2) maintenance, insurance, repairs, parts and supplies, equipment and tools, and electrical maps, tubes, starters and ballasts; (3) the annual costs for a custodian and/or manager; and (4) promotion costs; and (5) a capital reserve equal to 5% of the total projected operation costs, excluding the capital reserve. The term "operating costs for the Central School Building" shall not include the original capital investment or associated debt service.

The term "rented square footage in the Central School Building" as used in the Article 3 shall exclude common areas, exterior grounds and space not rented.

3.2 The base rent for the lease term shall be in the amount of **\$7.42** per square foot annually, payable in equal monthly installments beginning on the **1<sup>ST</sup>** day of **July 2022** and continuing on the first day of each month thereafter through **December 31, 2022**. Additionally, tenant is solely responsible for paying any, and all, property taxes associated with the rental space.

3.3 Lessee shall pay as additional rent a late charge in the amount of 1.5% of the monthly rental payment in the event that the monthly rental payment is received after the fifth day of the month due. This late charge shall be exclusive of any other remedy which Lessor may have for Lessee's failure to timely pay rent.

3.4 At the commencement of the term of this Lease Agreement, Lessee shall furnish to Lessor a surety bond, letter of credit or cash deposit in an amount equivalent to one month's rent, to assure compliance with the provisions of this Lease Agreement. If Lessee fails to comply with the provisions of this Lease Agreement, Lessor shall be entitled, without further notice to Lessee, to call upon said surety bond, letter of credit or cash deposit to satisfy Lessee's obligation hereunder. Lessor's right to call upon the surety bond, letter of credit or cash deposit shall be exclusive of any other remedy which Lessor may have for Lessee's failure to comply with the provisions of this Lease Agreement. The surety bond or letter of credit furnished by Lessee shall be maintained in effect for

the term of this Lease Agreement and during any period of holding over. If Lessee furnishes a cash deposit pursuant to this Paragraph, said cash deposit shall be held by Lessor for the term of this Lease Agreement unless earlier called upon by Lessor to satisfy Lessee's obligations hereunder. Said cash deposit shall be invested by Lessor and any interest earned shall be paid annually to Lessee.

3.5 Rental payments shall be made to the order of the City of Grand Rapids and mailed or delivered to: **City Finance Director, 420 N. Pokegama Avenue, Grand Rapids, MN 55744.**

3.6 Lessee shall timely pay when due any personal property or real property tax on the leasehold estate.

#### **ARTICLE 4 - IMPROVEMENTS**

4.1 In taking possession of the leased premises, Lessee acknowledges that same were on the date of occupancy in good, clean and tenable condition, subject only to the repairs or improvements which Lessor has agreed to make at Lessor's expense and which are set forth on Exhibit "C" attached hereto, if there are any.

4.2 Lessee agrees to make at its own expense all alterations and improvements to the leased premises except as otherwise indicated to be the obligation of Lessor under this Lease Agreement. All such improvements and alterations made by Lessee shall be undertaken only upon advance approval of Lessor, shall be made under the supervision, direction and control of Lessor's architect, shall be made in good and workmanlike manner according to the terms, conditions and requirements set by Lessor and its architect, and shall be in keeping with the historical character of the building. All alterations and improvements performed on the leased premises by Lessee shall be performed by competent contractors and subcontractors approved by Lessor, which approval shall not unreasonably be withheld. Lessee shall pay for all architectural, engineering and other services and all costs incurred by Lessor in connection with Lessee's improvement or alteration of the leased premises, including the work, if any, of Lessor's engineer, architect and other agents connected therewith. Prior to undertaking any alterations or improvements to the leased premises, Lessee shall obtain and deliver to Lessor a valid waiver and release of mechanic's liens by each party who will furnish labor, materials or services to the lease premises.

4.3 At the expiration or termination of the term of this Lease Agreement, all improvements and alterations made to the leased premises by Lessee shall remain with the leased premises and shall be the property of Lessor. Lessee shall, at its expense, remove Lessee's goods and effects, including trade fixtures, machinery, and equipment, and quit and deliver up the leased premises to Lessor, peaceably and quietly in as good order and condition as same were in on the original date of occupancy, reasonable wear and tear excepted. Any property left in the leased premises at the expiration or termination of this term of this lease shall be deemed to have been abandoned and shall become the property of Lessor to be disposed of as Lessor deems expedient, with all costs of cleanup and disposal of goods abandoned at the leased premises to be paid by Lessee. Lessee shall not permit any mechanic's or materialmen's liens to stand against the leased premises or against the Central School and Lessor may require appropriate assurances by way of bond, deposit or other reasonable procedure to protect against such liens and may, should such liens arise out of Lessee's acts hereunder, pay and discharge same and such amounts shall become due and payable to Lessor from Lessee with interest at the rate of eight percent (8%), or such greater amount as shall then be permitted by law, per annum.

#### **ARTICLE 5 - MAINTENANCE, REPAIRS**

5.1 Lessee shall at all times be responsible for maintaining at its own expense the leased premises in a clean, orderly and safety condition, except as hereinafter provided. Lessee shall be responsible, at its own expense, to clean and maintain all trade fixtures, machinery and equipment furnished by Lessee within the leased premises. Lessee shall be responsible to deposit normal office waste and rubbish at a location at the Central School as designated by Lessor.

5.2 Lessee shall be responsible to perform all repairs the need for which is caused by Lessee's use of the premises except that Lessor shall be responsible to perform major repairs of a structural nature. Lessor shall be responsible to arrange for removal of waste and rubbish from the location designated as the deposit location for lessees. All costs incurred by Lessor pursuant to the obligations of this Paragraph shall be included within "operating costs".

5.3 Lessor shall provide custodian services for the common areas of Central School. Costs incurred by Lessor in providing such custodian services shall be included within "operating costs".



**ARTICLE 6 - UTILITIES**

6.1 Lessor shall furnish such heat, water, sewer, electricity, elevator services, central air conditioning and garbage removal in and about the leased premises as shall be necessary, in Lessor's judgment, for comfortable occupancy of the leased premises, under normal business conditions. Lessor's obligation to provide electricity to the leased premises shall include only electricity for standard building lighting and office use. Any electricity supplied to the leased premises for extraordinary purposes, such as kitchen equipment, refrigeration equipment and air conditioning units, shall be paid by the Lessee upon Lessor's billing of same.

It is understood and agreed that Lessee shall be responsible to pay to Lessor, as additional rent, the cost of separately-metered-electricity supplied to the leased premises. Lessee shall also be responsible for the construction of insulation of a separate electrical meter when required.

6.2 Lessee shall conserve heat, water and electricity and shall not neglect or misuse water, fixtures, electrical lights, or other equipment or facilities furnished in conjunction with Lessor's provisions of utilities pursuant to this Article.

6.3 In the event energy use restrictions are established by Federal or State authorities or that an energy supply emergency is declared by Federal or State authorities, Lessor may reduce the quantity or quality of any utilities or other services to be provided under this Article as may be necessary to comply with directives and regulations promulgated by said authorities.

6.4 Lessor shall be responsible to provide light, heat and other utility services to the common areas of the Central School as, in Lessor's discretion, is appropriate. The cost of providing such heat, lighting and other utilities shall be included within "operating costs".

**ARTICLE 7 - BUILDING USE, REGULATIONS, SECURITY**

7.1 Lessee shall use the leased premises only for the purpose of purposes generally described in Exhibit "B". Lessee shall keep the leased premises in a clean, orderly and safe condition and shall not permit any hazardous or dangerous activity thereon or any activity which will increase insurance risks or premiums on the leased premises. Lessee shall at all times comply with all statutes, ordinances, codes, and regulations of any governmental authority concerning the use and

maintenance of the leased premises and the Central School. Lessee shall not overload the floors in the leased premises.

7.2 Lessee shall use the leased premises and the common areas of the Central School in accordance with such reasonable rules and regulations as may from time to time be promulgated by Lessor for the general safety, comfort and convenience of Lessor and Lessees of the Central School and their invitees and Lessee shall cause its clients, employees and invitees to abide by such rules and regulations. The Lessor will allow the Lessee to utilize up to 12 square feet of floor space in the common areas adjacent to the Lessee's business for display purposes only. Storage of equipment, recycling, or anything deemed not to be display items, is prohibited. The items placed in this space must not be affixed permanently to the floor or wall in any way. The usage of a table, shelf, or rack is acceptable. The Lessee will adhere to all fire and building access codes.

If the Lessee wishes to use more than 12 square feet of floor space, a written letter to the Lessor with the Lessee's intent is required. The Lessee cannot proceed with their plans until the Lessor has granted the request in writing.

The Lessee is required to supply the Lessor with documentation from the Lessee's insurance company that the Lessee's property is covered while in the common areas of Central School.

7.3 As much as possible, Lessee shall keep the leased premises open to the public during such days and hours of operation of the Central School as may from time to time be determined by Lessor. The Lessee is permitted to utilize the leased premises outside of normal hours of operation of the Central School, excluding between the hours of 11:00pm and 6:00am.

7.4 Lessee shall be responsible for securing the leased premises by locking doors and windows providing direct access to the leased premises. Lessor covenants that other Lessees within the Central School will have similar responsibilities to those required of Lessee under this Paragraph.

7.5 Lessee shall pay to Lessor on demand for any damage done to the Central School or the leased premises, including broke glass, caused by Lessee, Lessee's agents or employees, or Lessee's invitees.

7.6 Lessee shall not conduct or permit to be conducted on the leased premises any business or permit any act which is contrary to or in violation of the laws, ordinances or regulations of any governmental unit, federal, state or local.

#### **ARTICLE 8 - COMMON AREAS, EXTERNAL GROUNDS**

8.1 Lessee's use of the common areas and external grounds of Central School shall be in compliance with rules and regulations which may be promulgated from time by Lessor.

8.2 Lessee shall place nothing in the common areas of the Central School, including displays, advertising, merchandise, or other items of any sort whatsoever, without the advance written approval of the Grand Rapids Economic Development Authority.

8.3 Lessee shall place no signs which will be visible outside the leased premises, including no signs which may be visible through a window and no signs which may be visible within the common areas of the Central School or from the external grounds of the Central School or beyond, without the advance written approval of Lessor. Lessor shall provide signs, of a number, style and quality as deemed appropriate in Lessor's exclusive judgment, to be placed on the external grounds of the Central School, which signs will identify the lessees within Central School. Cost incurred by Lessor in providing said signs shall be included within "operating costs". Signs within the interior common areas of Central School shall be approved in advance by Lessor and, if provided by Lessor, the expense thereof shall be included within "operating costs".

#### **ARTICLE 9 - INSURANCE**

9.1 Lessor shall maintain general liability, fire and extended coverage insurance on the Central School, including common areas and exterior grounds, and Lessor's fixtures and equipment and Lessor shall cause Lessee to be named as an additional insured. Lessee shall insure its own personal property on the premises as it sees fit. All personal property placed upon or in the leased premises or common areas or external grounds shall be at the risk of Lessee or the owner of the personal property and Lessor shall not be liable to Lessee or any other party for any damage or destruction of said personal property arising from any cause whatsoever. Lessee shall maintain at its own cost and expenses general liability insurance required herein. All insurance coverage is subject to

approval of the City of Grand Rapids and shall be maintained by Lessee at all times this Agreement is in effect. Lessee further agrees that to protect themselves as well as the City of Grand Rapids under the indemnity Contract set forth above, the Lessee shall at all times during the term of the Agreement have and keep in force insurance protection as specified by Minn. Stat. Cpt. 466.04, subd. 1 as may be modified from time to time by the State Legislature and Lessee shall name Lessor as an additional insured on said policy. Throughout the term of this Lease Agreement, Lessee shall provide Lessor with evidence that Lessee has obtained the insurance required by this Article and that Lessor is an additional insured under said policies of insurance. All costs incurred by Lessor in maintaining insurance coverage pursuant to this Article shall be included within "operating costs".

9.2 Notwithstanding anything in this Lease Agreement to the contrary, Lessor shall not be liable to Lessee and Lessee shall not be liable to Lessor for any damage to or destruction of the Central School Building by fire or other perils or for any claim or cause of action arising out of any death, injury or damage to property in, on or about the leased premises or the common areas or exterior grounds of Central School. Lessor and Lessee shall furnish to each other appropriate written consents from their respective insurers to this waiver of liability provision.

#### **ARTICLE 10 - LESSOR ACCESS**

10.1 Lessor, its agents and employees shall have the right to enter the leased premises upon reasonable advance notice for the purpose of inspection, cleaning, repairing, altering or improving the premises, or to exhibit the premises to prospective tenants. Lessor's reserved rights hereunder shall include, without limitation, free, unhampered and unobstructed access to the airways, equipment ducts, stairways, access panels and all utilities and services to the Central School. There shall be no diminution or rent and no liability on the part of Lessor by reason of any inconvenience, annoyance or injury to business caused by Lessor's reasonable exercise of rights reserved by Lessor in this Article.

#### **ARTICLE 11 - FIRE OR OTHER CASUALTY: CONDEMNATION**

11.1 If during the term of this Lease the leased premises shall be damaged or destroyed by fire or other casualties so that the premises shall thereby be rendered unfit for use or occupation, Lessor shall have the option to either (a) repair such damage with all reasonable diligence and restore the premises to substantially the condition immediately prior to such event, and until such premises

have been duly repaired and restored the rent herein reserved, or a just and proportionate part thereof according to the nature and extent of the injury which has been sustained shall be abated, or (b) Lessor may terminate this lease and end the term hereof, and in case of such termination and cancellation the rent shall be paid to the date of such fire or other casualty and all other further obligations on the part of either party hereto shall cease. Lessor is required to notify Lessee of whether it will repair or terminate within thirty (30) days of the date of such damage or destruction. Provided, however, that in the event the premises are not so restored within on hundred eighty (180) days after the occurrence, Lessee may, at its option, terminate this lease.

11.2 Lessee shall be entitled in any full or partial taking by eminent domain to take that portion of the net award representing payment for Lessee's leasehold interest, trade fixtures, moving expenses or business interruption. All amounts paid pursuant to an agreement with a condemning authority in connection with any taking shall be deemed to constitute an award on account of such taking. Lessee agrees that this Lease shall control rights of Lessor and Lessee in any such award, and any contrary provision of any present or future law is hereby waived. If any taking shall result in Lessee being deprived of space in excess of 5 percent of the space then leased to Lessee, Lessee shall have the right on thirty (30) days advance written notice, to terminate the obligations hereunder effective as of such taking. If Lessee continues occupancy following a partial taking, rent will be adjusted of a pro-rata basis for the remainder of the lease term.

## **ARTICLE 12 - QUIET POSSESSION**

12.1 Lessor hereby warrants and covenants that it has full authority to execute this Lease Agreement and further agrees that Lessee, upon paying rent and performing the covenants and conditions of this Lease Agreement, shall quietly have, hold and enjoy the leased premises during the term hereof.

## **ARTICLE 13 - NOTICE**

13.1 Any notice, demand, request or other communication which may or shall be given or served by Lessor or Lessee pursuant to this Lease Agreement shall be deemed to have been given or served on the date the same is deposited in the United States mail, registered or certified, postage prepaid and addressed as follows:

To Lessee

Mary Corwin  
10 NW 5<sup>th</sup> St., Suite 2  
Grand Rapids, MN 55744

To: Lessor

GREDA Executive Director  
City Hall  
420 N. Pokegama Avenue  
Grand Rapids, MN 55744

#### **ARTICLE 14 - ASSIGNMENT, SUBLETTING**

14.1 Lessee agrees that neither the leased premises nor any part thereof shall be sublet nor shall this Lease Agreement be assigned by Lessee without prior written consent of Lessor, which consent shall not be unreasonably withheld. If Lessor does give consent, such consent shall not release Lessee from its obligation hereunder, unless a release is specifically given by Lessor.

#### **ARTICLE 15 - NO PARTNERSHIP**

15.1 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.

#### **ARTICLE 16 - DEFAULT BY LESSEE**

16.1 Lessor and Lessee agree that this Lease Agreement is made upon the condition that if the Lessee shall neglect or fail to keep, observe and perform any of the covenants and agreements contained in this Lease Agreement which are to be kept, observed or performed by Lessee, so as to be in default, or if the leasehold interest of Lessee shall be taken by execution or other legal process of law, or if Lessee shall petition to be or be declared to be bankrupt or insolvent according to law, or if Lessee shall vacate said premises or abandon the same for a period of 45 days during the term of this Lease Agreement, then and in any of said cases the Lessor may, at its option, immediately or at any time thereafter without further notice or demand, enter into and upon the leased premises, or any part thereof, in the name of the whole, and take absolute possession of the same without such reentry working a forfeiture of the rents to be paid and the covenants to be performed by Lessee for the full term of this Lease Agreement, and may, at Lessor's election, lease or sublet the leased premises, or

any part thereof, on such terms and conditions and for such rents and for such time as the Lessor may elect, and after crediting the rent actually collected by Lessor from such reletting, collect the balance of rent owed pursuant to this Lease Agreement from Lessee, charging Lessee such reasonable expenses as the Lessor may expand in putting the premises in tenable condition and collecting said rentals from Lessee, including reasonable attorney's fees.

Alternatively, Lessor may at its election and upon written notice to Lessee declare this Lease Agreement forfeited and void under the condition set forth above, and Lessor may re-enter and take full and absolute possession of said premises as the owner thereof, free from any right or claim of Lessee or any person or persons claiming through or under Lessee, and such election and re-entry shall be and constitute an absolute bar to any right to enter by Lessee. The commencement by Lessor of any action to recover possession of the leased premises or any part thereof shall not be deemed an election by Lessor to treat this Lease Agreement as void and terminated, without the written notice above specified.

In the event of termination or re-entry by Lessor for default by Lessee, Lessor shall make every reasonable effort to re-rent, lease or sublet the premises. Lessor, at its option, may make such alterations, repairs, replacements and/or decorations to the leased premises as Lessor, in its sole judgment, considers advisable and necessary for the purpose of reletting the premises; and the making of such alterations, repairs, replacements and/or decorations shall not operate to be construed to release Lessee for liability hereunder as aforesaid.

#### **ARTICLE 17 - DEFAULT BY LESSOR, LESSEE**

17.1 Lessor shall not be deemed to be in default under this Lease Agreement until Lessee shall have given Lessor written notice specifying the nature of the default and Lessor shall have not cured such default within ten (10) days after receipt of such notice, or within such reasonable time thereafter as may be necessary to cure such default where such default is of a character as to reasonably require more than ten (10) days to cure.

17.2 Except with respect to the payment of rent, for which no notice of default shall be necessary, Lessee shall not be deemed to be in default under this Lease Agreement until Lessor shall have given Lessee written notice specifying the nature of default and Lessee shall have not cured such default within ten (10) days after receipt of such notice or within such reasonable time thereafter as may be

necessary to cure such default where such default is of a character as to reasonably require more than ten (10) days to cure.

#### **ARTICLE 18 - WAIVER, MODIFICATION, ENTIRE AGREEMENT**

18.1 No waiver of any condition, covenant, right of option of this Lease Agreement by the Lessor shall be deemed to imply or constitute a further waiver of any like condition or covenant of said Lease Agreement.

18.2 No amendment or modification of this Lease Agreement shall be valid or binding unless expressed in writing and executed by duly authorized representatives of the parties hereto in the same manner as the execution of this Lease Agreement. The Grand Rapids Economic Development Authority shall consider the recommendation of all interested parties in determining whether to approve any amendment or modification of this Lease Agreement.

18.3 Neither Lessor nor any agent or employee of Lessor has made any representations or promises with respect to the leased premises or the Central School except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Lessee except as herein expressly set forth.

#### **ARTICLE 19 - WINDOW TREATMENT**

19.1 Lessee, at its expense, may install shades, drapes or window coverings and, if installed, Lessee shall maintain said window coverings in an attractive and safe condition, provided however, in the sole judgment of Lessor said window coverings are in harmony with the exterior and interior appearance of Central School and will create no safety or fire hazard.

#### **ARTICLE 20 - PARKING**

20.1 Lessor has established public parking facilities on the grounds of Central School. Lessee warrants that it will enforce regulations providing that its employees will not park their private vehicles in said public parking area during time when said employees are working at the leased premises (except on a short-term basis for emergencies or for deliveries).

**DISCRIMINATION PROHIBITED:** The Landlord shall not discriminate based upon race, color, creed, religion, national origin, sex, marital status, age, handicap, or disability, familial status or



recipients of public assistance; and shall comply with all nondiscrimination requirements of Federal, State and local law.

**IN WITNESS WHEREOF**, the parties have hereunto set their hands on the date first written above.

LESSOR:

\_\_\_\_\_  
GREDA President

\_\_\_\_\_  
GREDA Executive Director

Date: \_\_\_\_\_

LESSEE: Mary Corwin

\_\_\_\_\_  
BY: Mary Corwin

Date: \_\_\_\_\_

The leased premises is located on the Garden Level in the southwest corner room (Suite 2) consisting of 392 square feet.

## Exhibit B – Use of Space

Lessee will utilize the space as an art studio.

## Exhibit C – Improvements

None



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** July 14, 2022

**STATEMENT OF ISSUE:** Review and consider recommendations for draft 2023 GREDA Operations Budget and levy for Capital Projects Fund

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

The Finance Department is requesting GREDA's recommended Operating Budget for 2023. I have attached a marked up operating budget worksheet for your review. The worksheet shows the actual line item expenditures in 2018-2021, as well as the 2022 adopted budget and a 2023 proposed budget, under which I have entered my suggestions.

As provided for under §§469.107, the GREDA has over the last several years has requested the City levy for additional monies to begin to sustain a balance in the GREDA Capital Projects Fund. For the last few years, GREDA has requested and received a levy of \$60,000.

As you will see in the draft budget recommendation and the chart representing the Operating Fund history, we will need to transfer funds into the Operating Fund. My recommendation is to direct \$35,000 of the requested levy to the Operating Fund and the remaining amount into the Capital Projects Fund.

### **RECOMMENDATION:**

Review the proposed 2023 Operating Budget, consider any amendments and pass on a recommended budget to the City Council.

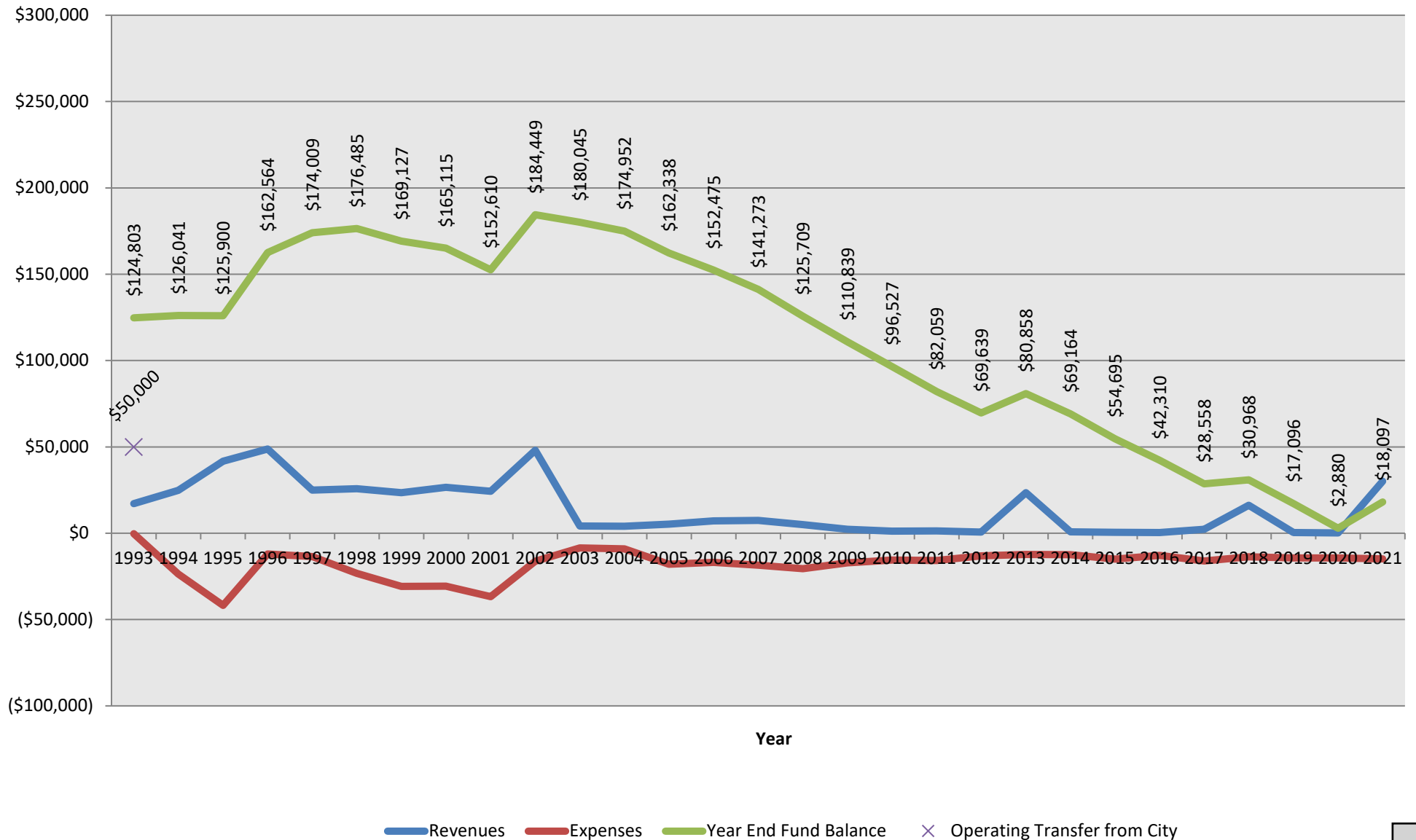
**REQUIRED ACTION:** Pass a motion adopting a recommended 2023 Operating Budget, a levy request of \$60,000 and direction to the Finance Department to transfer \$35,000 of the levy proceeds into the Operating Fund and the remaining amount into the Capital Projects Fund.

**CITY OF GRAND RAPIDS**  
**ECONOMIC DEVELOPMENT AUTHORITY**  
*Actual 2018-2021 Expenditures, 2022 Budget And Proposed 2023 Budget*

	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	PROPOSED 2023 BUDGET
Fund Balance 1/1/XX:	28,558	30,968	17,096	2,880	18,096	2,046
<b>REVENUES:</b>						
Taxes						
Current	15,000	-	-	30,000	-	35,000
Fiscal Disparities	-	-	-	-	-	-
Total Taxes	15,000	-	-	30,000	-	35,000
Intergovernmental						
Supplemental Aid	-	-	-	-	-	-
Total Intergovernmental	-	-	-	-	-	-
Miscellaneous Revenue						
Miscellaneous Revenue	779	-	-	-	-	-
Interest - Investments	345	427	164	95	200	200
Total Miscellaneous	1,124	427	164	95	200	200
Other Sources						
Fund Balance Usage	-	-	-	-	16,050	-
<b>TOTAL REVENUES</b>	<b>16,124</b>	<b>427</b>	<b>164</b>	<b>30,095</b>	<b>16,250</b>	<b>35,200</b>
<b>EXPENDITURES:</b>						
Supplies/Materials	31	23	13	12	50	100
Professional Services	153	229	150	230	400	400
Accounting/Auditing Services	2,360	3,183	3,697	3,690	3,800	3,800
Legal	779	752	220	421	1,200	1,000
Consulting	10,000	10,000	10,000	10,000	10,000	10,000
Seminars/Meetings	-	-	-	-	250	250
General Insurance	17	17	20	18	50	100
Other Charges & Services	374	94	280	508	500	500
<b>TOTAL EXPENDITURES</b>	<b>13,714</b>	<b>14,298</b>	<b>14,380</b>	<b>14,878</b>	<b>16,250</b>	<b>16,150</b>
<b>REVENUES &gt; EXPENDITURES</b>	<b>2,410</b>	<b>(13,871)</b>	<b>(14,216)</b>	<b>15,216</b>	<b>-</b>	<b>19,050</b>
<b>FUND BALANCE 12/31/XX</b>	<b>\$ 30,968</b>	<b>\$ 17,097</b>	<b>\$ 2,880</b>	<b>\$ 18,096</b>	<b>\$ 2,046</b>	<b>\$ 21,096</b>

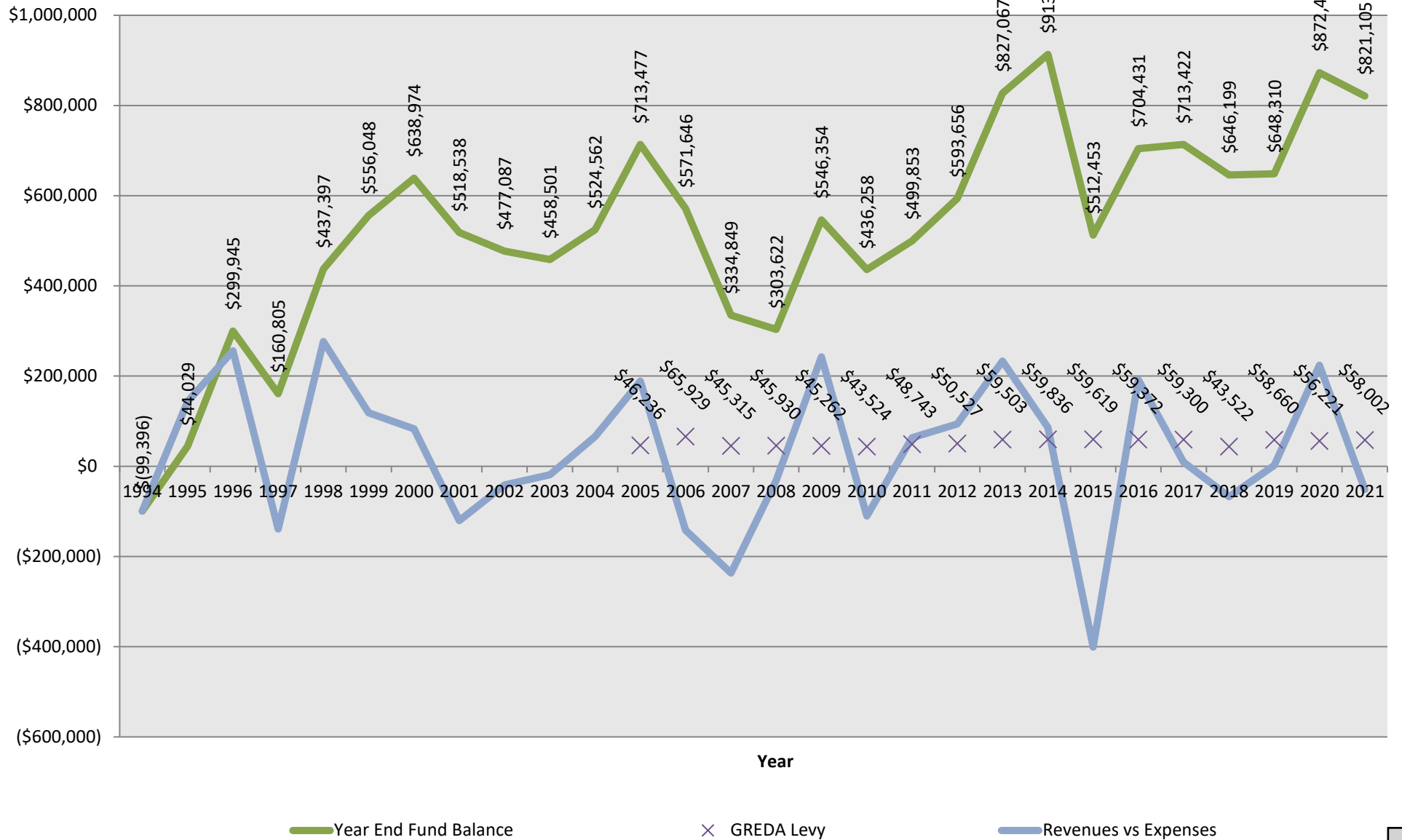


# GREDA Operating Fund Revenue/Expense History 1993-2021





# GREDA Capital Project Fund Fund Balance, Revenue/Expense History 1994-2021







## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** July 14, 2022

**STATEMENT OF ISSUE:** Discuss Maintenance of GREDA Residential Home

**PREPARED BY:** Rob Mattei, Executive Director

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### **BACKGROUND:**

Since its acquisition in 2015, GREDA has been leasing the four-bedroom home located on our 20-acre tract at 3002 Airport Rd. (7<sup>th</sup> Ave. E.) In my periodic visits to the property and through my communication with Nathan Morlan, City Building Official/Facilities Maintenance Manager, it has become evident that normal wear and tear has caused a need to consider some maintenance.

I asked Nathan earlier this year to price out some items that he sees as a need. He procured the attached quote that describes the items and assigns a cost that we can refer to in this discussion. I will be meeting with Nathan on site this week to look at all these items to get a sense of which are a higher priority.

From my perspective, with the leasing of the home essentially covering our operating expenses and debt service on the zero interest loan from the Blandin Foundation for the purchase, we should focus on what is necessary to maintain the home as a viable rental and address any safety concerns.

### **RECOMMENDATION:**

Discuss and reach consensus on any follow up actions.

### **REQUIRED ACTION:**

Craiglow Construction  
 23517 US HWY 2  
 Grand Rapids, MN 55744  
 218-259-4525  
 Lic # BC747525

## PROPOSAL AND CONTRACT – City of Grand Rapids

Proposal Submitted To:

Name \_\_\_\_\_ Phone Number \_\_\_\_\_

Address \_\_\_\_\_ Site Address \_\_\_\_\_

\_\_\_\_\_

### PROPOSAL and CONTRACT –

#### Remodeling and additional work- \$29,300.00

- Install new minisplit.
- Install new paint/stain on entire exterior of the house, garage, and shed.
- Install new windows in the shed.
- Install new siding where existing rot is on the shed
- Take out meter on the shed
- Install new gutters on the house and garage with leaf guards.
- Repair and install new soffit and fascia where rotten wood and water damage happened.
- Repair sheetrock in the interior from water damage and misc stuff.
- Install new exterior lighting.

#### Tree work- 1,750.00

- Removal of old dead pine, trim oak tree over the house and behind out.

#### Garage Demo- \$11,900.00

- Demo big garage on top of hill.
- Install new black dirt

Payment for this PROPOSAL and SIGNED CONTRACT – with a total of **\$42,950.00**, with **\$25,000.00** upon signing of this CONTRACT, and with a balance due of **\$17,950.00**.

Any additional repairs that are needed on this structure not listed in each above PROPOSAL are the homeowner's responsibility. This will become an extra charge which will be billed at time plus material, over and above proposed price.

This CONTRACT is based solely on the above evaluation and does not include material price increases, additional labor and/ or materials, following the start of the before mentioned job. According to MN State Legislature Law (514.011), a lien can and will be imposed if the balance is not paid in full upon completion of before mentioned job.

The above prices, specifications, and conditions are satisfactory and hereby accepted. Authorization is given to do the work specified.

Proposal and Contract:

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Homeowner's Signature and Date

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Homeowner's Signature and Date

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Contractor's Signature and Date

Down Payment Amount \$ \_\_\_\_\_ Check Number # \_\_\_\_\_

2<sup>nd</sup> Payment Amount \$ \_\_\_\_\_ Check Number # \_\_\_\_\_

3<sup>rd</sup> Payment Amount \$ \_\_\_\_\_ Check Number # \_\_\_\_\_

Final Payment Amount \$ \_\_\_\_\_ Check Number # \_\_\_\_\_