



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, July 23, 2026
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 23, 2026 at 4:00 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 .*

APPROVE MINUTES

1. Consider approval of minutes from the July 9th, 2026 regular meeting.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$43,778.28.

BUSINESS

3. Consider adopting a resolution supporting creation of a tax increment financing district within Municipal Development District No. 1, establishing TIF District 1-18 therein, the program and TIF Plan; and recommending approval of a TIF Development Agreement between the City of Grand Rapids and Elevation Grand Rapids, LLC.
4. Consider the adoption of a resolution finding parcels located at 900 NW 4th Street are occupied by a structurally substandard building.
5. Consider authorizing a solicitation requesting quotations for the removal of fertilizers and related, residual, stored products at 900 NW 4th St.
6. Consider entering into a professional services agreement with Lane Design Group for the preparation of a Downtown Pedestrian Wayfinding Plan.
7. Consider approval of an amendment to the professional services agreement with Pierson Henry LLC
8. Consider adopting a resolution approving the acquisition of certain property owned by Glenna and John Kellin and approving the purchase agreement.

- [9.](#) Consider adopting a resolution authorizing internal loan for advance of certain costs in connection with a tax increment financing district for property located at 533 NW 4th St.
- [10.](#) Review and consider budget recommendations for 2027 GREDA Operating Budget and levy for Capital Projects Fund.

UPDATES

ADJOURN

MEMBERS & TERMS

Molly MacGregor - 12/31/2026 Council Representative

Tom Sutherland - 12/31/2026 Council Representative

Wayne Bruns - 3/1/31

Sholom Blake - 3/1/31

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/29

Jean MacDonell - 3/1/30



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, July 09, 2026
4:00 PM

CALL TO ORDER

President Blake called the meeting to order at 4:00 p.m.

CALL OF ROLL

PRESENT

President Sholom Blake
Commissioner Wayne Bruns
Commissioner Bill Martinetto
Commissioner Jean MacDonell
Commissioner Tom Sutherland

ABSENT

Commissioner Al Hodnik
Commissioner Molly MacGregor

STAFF

Rob Mattei
Jackie Heinrich

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 .*

The agenda was approved with addition:

Community Development Program Opportunity Zones.
Consider approving a proposal from Braun Intertec.

APPROVE MINUTES

1. Consider approval of minutes from the June 11, 2026 regular meeting.

Motion by Commissioner MacDonell, second by Commissioner Martinetto to approve the minutes from the June 11, 2026 regular meeting. The following voted in favor thereof: Sutherland MacDonell, Martinetto, Bruns, Blake. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$39,999.80

Motion by Commissioner Martinetto, second by Commissioner Bruns to approve claims in the amount of \$39,999.80. The following voted in favor thereof: Blake, Bruns, Martinetto, MacDonell, Sutherland. Opposed: None, motion passed unanimously.

BUSINESS

3. Community Development Program Opportunity Zones

Community Development Director Mattei provided a handout with an overview of this program.

4. Consider approval of a proposal from Braun Intertec

The proposal is to conduct a Remedial Investigation of the former Itasca County Farm Services Co-op site.

Motion by Commissioner Martinetto, second by Commissioner Bruns to approve a proposal from Braun Intertec not to exceed \$42,526. The following voted in favor thereof: Sutherland, MacDonell, Martinetto, Bruns, Blake. Opposed: None, motion passed unanimously.

5. Review and consider forwarding to the City Council the GREDA 2025 Annual Report

Mr. Mattei reviewed the GREDA Annual Report with the Commissioners. Some of the 2025 activities include the sale of 4 lots for an Amazon Delivery Station, Downtown Alliance Startup, securing funding for the redevelopment of the former Farm Co-op and the demolition and utility services for the former ISD 318 Administration Building, this site has eight lots for single-family homes.

6. Presentation – GREDA Communications Strategy 2026, Paperwhite Marketing

Nicolette Denne from Paperwhite Marketing presented the progress so far for the GREDA website and marketing plan.

ADJOURN

There being no further business the meeting adjourned at 5:03 p.m.

MEMBERS & TERMS

Molly MacGregor - 12/31/2026 Council Representative

Tom Sutherland - 12/31/2026 Council Representative

Wayne Bruns - 3/1/31

Sholom Blake - 3/1/31

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/29

Jean MacDonell - 3/1/30

Respectfully Submitted:

Jackie Heinrich

Jackie Heinrich, Administrative Assistant

GRAND RAPIDS EDA BILL LIST - JULY 23, 2026
DEPARTMENT SUMMARY REPORT

EDA

BLANDIN FOUNDATION	\$	17,500.00
BOLTON & MENK, INC	\$	17,471.84
KUTAK ROCK LLP	\$	1,838.50
PAPERWHITE MARKETING LLC	\$	1,845.00
PRIMACY STRATEGY GROUP LLC	\$	5,000.00

TOTAL UNPAID TO BE APPROVED IN THE SUM OF: \$ 43,655.34

CHECKS ISSUED-PRIOR APPROVAL

PUBLIC UTILITIES COMMISSION	KENT PROPERTY/JUN26-E	\$	99.79
PUBLIC UTILITIES COMMISSION	KENT SHOP/JUN26-E	\$	23.15

TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF: \$ 122.94

TOTAL ALL DEPARTMENTS: \$ 43,778.28



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Consider adopting a resolution supporting creation of a tax increment financing district within Municipal Development District No. 1, establishing TIF District 1-18 therein, the program and TIF Plan; and recommending approval of a TIF Development Agreement between the City of Grand Rapids and Elevation Grand Rapids, LLC.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

In May of this year, Unique Opportunities, a commercial developer from Alexandria, MN, applied to the City seeking Tax Increment Financing (TIF) Business Assistance for their proposed development of a 99-unit general occupancy apartment facility.

Since receiving the application, the City's fiscal consultant Ehlers and the Community Development Director have been analyzing the budget and proforma. This review was focused on determining if the use of TIF is aligned with the City/GREDA Business Subsidy Policy and the requirements of the TIF Act as well as to determine what level/amount of assistance is needed to make the project feasible.

GREDA serves an advisory role in this process. The proposed resolution to be considered supports the creation of the proposed TIF District 1-18.

RECOMMENDATION:

Staff will present the attached PowerPoint to provide an overview. Please review the attachments to this item prior to the meeting.

REQUIRED ACTION: Make a motion to approve the adoption of a resolution supporting creation of a tax increment financing district within Municipal Development District No. 1, establishing TIF District 1-18 therein, the program and TIF Plan; and recommending approval of a TIF Development Agreement between the City of Grand Rapids and Elevation Grand Rapids, LLC.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. __

SUPPORTING THE CREATION OF A TAX INCREMENT FINANCING DISTRICT WITHIN MUNICIPAL DEVELOPMENT DISTRICT NO. 1, RECOMMENDING APPROVAL OF A TIF DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GRAND RAPIDS, MINNESOTA AND ELEVATION GRAND RAPIDS LLC.

WHEREAS, on July 27, 2026, the City Council (the “City Council”) of the City of Grand Rapids, Minnesota (the “City”) will consider adopting a modification to the Development Program (the “Development Program Modification”) for the City’s Municipal Development District No. 1 (the “Development District”) and a Tax Increment Financing Plan (the “TIF Plan”) for Tax Increment Financing District No. 1-18: Elevation Apartments Project (a housing district) (the “TIF District”), located within the Development District (the Development Program Modification and the TIF Plan are referred to collectively herein as the “Program and Plan”), all in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, all as amended (the “Act”); and

WHEREAS, Elevation Grand Rapids LLC, a Minnesota limited liability company, or an affiliate thereof or a related party thereto (the “Developer”) has proposed to acquire property within the Development District for the purpose of constructing and equipping an approximately 99-unit multifamily rental housing facility with at least twenty percent (20%) of such units to be available to persons or families of low and moderate income, with all related improvements to be completed, owned and operated by the Developer on the Development Property (the “Project”); and

WHEREAS, the proposed Program and Plan have been presented to the Board of Commissioners (the “Board”) of the Authority, and the Board has reviewed the Program and Plan and the Developer’s proposal for the Project and information regarding the proposed tax increment financing assistance; and

WHEREAS, the Developer and the City propose entering into the TIF Development Agreement (the “Agreement”), under which, among other things, the City will provide certain tax increment financing assistance to the Developer for the Project pursuant to the Act; and

WHEREAS, on the date hereof, the Board conducted a duly noticed public hearing on the Development Program Modification and the Agreement, during which all interested persons were given an opportunity to be heard

NOW, THEREFORE, BE IT RESOLVED by the Board as follows:

1. The Authority supports the creation of the TIF District, the Program and the Plan; and
2. The Authority recommends the City provide tax increment financing assistance to the

Developer in accordance with the terms set forth in the form presented to the Board, provided, however, that final authorization of tax increment financing assistance for the Project is solely within the discretion of the City Council following all proceedings required pursuant to the Act.

Approved this 23rd day of July, 2026, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary

TIF DEVELOPMENT AGREEMENT
by and between
CITY OF GRAND RAPIDS, MINNESOTA,
and
ELEVATION GRAND RAPIDS LLC

Dated: _____, 2026

Drafted by:
Kutak Rock LLP
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

TABLE OF CONTENTS

PREAMBLE		1
ARTICLE I	DEFINITIONS	2
Section 1.1.	Definitions	2
ARTICLE II	REPRESENTATIONS AND WARRANTIES	5
Section 2.1.	Representations and Warranties of the City.....	5
Section 2.2.	Representations and Warranties of the Developer	5
ARTICLE III	TAX INCREMENT FINANCING AND REIMBURSEMENT	8
Section 3.1.	Public Development Costs	8
Section 3.2.	Issuance of Note	9
Section 3.3.	Developer to Pay City’s Fees and Expenses	9
Section 3.4.	Use of Tax Increments	9
Section 3.5.	Records.....	9
Section 3.6.	No Business Subsidy.....	10
ARTICLE IV	CONSTRUCTION OF MINIMUM IMPROVEMENTS	11
Section 4.1.	Construction of Minimum Improvements	11
Section 4.2.	Construction Plans.....	11
Section 4.3.	Commencement and Completion of Construction	12
Section 4.4.	Certificate of Completion.....	12
Section 4.5.	Income Limits	13
ARTICLE V	INSURANCE AND CONDEMNATION	14
Section 5.1	Insurance	14
Section 5.2	Subordination	15
ARTICLE VI	REAL PROPERTY TAXES	16
Section 6.1.	Right to Collect Delinquent Taxes	16
Section 6.2.	Reduction of Taxes.....	16
ARTICLE VII	MORTGAGE FINANCING	17
Section 7.1.	Financing.....	17
Section 7.2.	City’s Option to Cure Default on Mortgage.....	17
ARTICLE VIII	PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER; INDEMNIFICATION	18
Section 8.1.	Representation as to Development	18
Section 8.2.	Prohibition Against Developer’s Transfer of Property and Assignment of Agreement.....	18
Section 8.3.	Release and Indemnification Covenants	19
ARTICLE IX	EVENTS OF DEFAULT	21
Section 9.1.	Events of Default Defined.....	21
Section 9.2.	Remedies on Default	21
Section 9.3.	No Remedy Exclusive	22
Section 9.4.	No Additional Waiver Implied by One Waiver	22

Section 9.5.	Attorney Fees	22
ARTICLE X	ADDITIONAL PROVISIONS	23
Section 10.1.	Conflict of Interests; City Representatives Not Individually Liable.....	23
Section 10.2.	Equal Employment Opportunity	23
Section 10.3.	Restrictions on Use.....	23
Section 10.4.	Provisions Not Merged With Deed	23
Section 10.5.	Titles of Articles and Sections.....	23
Section 10.6.	Notices and Demands.....	23
Section 10.7.	Counterparts	23
Section 10.8.	Recording	24
Section 10.9.	Termination	24
Section 10.10.	Amendment	24
Section 10.11.	Choice of Law and Venue.....	24
Section 10.12.	Good Faith.....	24
Section 10.13.	Estoppel Certificates	24
Section 10.14.	Interpretation; Concurrence.....	24
Section 10.15.	Government Data	24
SIGNATURES.....		S-1
EXHIBIT A	Legal Description	A-1
EXHIBIT B	Certificate of Completion.....	B-1
EXHIBIT C	Public Development Costs	C-1
EXHIBIT D	Compliance Certificate.....	D-1
EXHIBIT E	Authorizing Resolution	E-1

TIF DEVELOPMENT AGREEMENT

THIS TIF DEVELOPMENT AGREEMENT, made on or as of the ___ day of September, 2026 (the “Agreement”), by and between the CITY OF GRAND RAPIDS, MINNESOTA, a statutory city organized and existing under the Constitution and the laws of the State of Minnesota (the “City”) and ELEVATION GRAND RAPIDS 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 herewith created a development project known as Municipal Development District No. 1 (the “Development District”) pursuant to Minnesota Statutes, Sections 469.124 through 469.133, as amended (the “City Development Act”), and has adopted a development program therefor (the “Development Program”); and

WHEREAS, within the Development District the City has created Tax Increment Financing District No. 1-18: Elevation Apartments (the “TIF District”), a housing tax increment financing district, in order to facilitate development of certain property in the Development District and promote the development of affordable housing within the City, and has adopted a tax increment financing plan therefor (the “TIF Plan”), all pursuant to the City Development Act and Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, the Developer proposes to acquire, construct and equip an approximately 99-unit multifamily rental housing facility with at least twenty percent (20%) of such units to be available to persons or families of low and moderate income, with all related improvements to be completed, owned and operated by the Developer on the Development Property (the “Minimum Improvements”); and

WHEREAS, in order to achieve the objectives of the Development Program and the TIF Plan, and to make the Minimum Improvements economically feasible for the Developer to construct, the City is prepared to reimburse the Developer for a portion of the public development costs related to the Minimum Improvements, as more particularly set forth in this Agreement; and

WHEREAS, the City believes that the improvement of the Development Property and the development of the TIF District pursuant to this Agreement, and fulfillment generally of this Agreement are vital and are in the best interests of the City, and the health, safety, morals, and welfare of the residents of the City, and in accordance with the public purposes and provisions of the applicable state and local laws and the requirements under which the Development District has been undertaken and is being assisted.

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 other 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:

“Administrative Costs” has the meaning set forth in Section 3.3.

“Affiliate” means with respect to the Developer (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the Developer, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling,” “controlled by” and “under common control with” mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent (50%) or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

“Agreement” means this TIF Development Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authorizing Resolution” means the resolution of the City, substantially in the form set forth in EXHIBIT E attached hereto, adopted by the City Council to authorize the issuance of the Note.

“Available Tax Increment” has the meaning provided in the Authorizing Resolution.

“Business Day” means any day except a Saturday, Sunday, legal holiday, a day on which the City is closed for business, or a day on which banking institutions in the City are authorized by law or executive order to close.

“Certificate of Completion” means the certificate to be provided to the Developer pursuant to Section 4.4 hereof, in the form set forth in EXHIBIT B attached hereto.

“City” means the City of Grand Rapids, Minnesota, a statutory city organized and existing under the Constitution and the laws of the State.

“City Council” means the City Council of the City.

“City Development Act” means Minnesota Statutes, Sections 469.124 through 469.133, as amended.

“City Representative” means the City Administrator of the City or any person designated in writing by the City Administrator to act as the City Representative for the purposes of this Agreement.

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property, including the Minimum Improvements, which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following: (1) site plan; (2) foundation plan; (3) basement plans; (4) floor plan for each floor; (5) cross

sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the City may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Itasca, Minnesota, a public body corporate and politic under the laws of the State.

“Developer” means Elevation Grand Rapids LLC, a Minnesota limited liability company, or permitted successors and assigns.

“Development District” means the City’s Municipal Development District No. 1, as amended.

“Development Program” means the City’s Development Program for the Development District, as amended.

“Development Property” means the real property located in the City and legally described in EXHIBIT A attached hereto.

“Event of Default” has the meaning provided in Section 9.1 hereof.

“Holder” means the owner of a Mortgage.

“Indemnified Parties” has the meaning provided in Section 8.3 hereof.

“Minimum Improvements” means the acquisition of the Development Property and the construction and equipping thereon of an approximately 99-unit multifamily rental housing facility with at least twenty percent (20%) of such units to be available to persons or families of low and moderate income with all related improvements to be completed, owned and operated by the Developer on the Development Property.

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property and which is a permitted encumbrance pursuant to the provisions of Article VII hereof.

“Note” means the City’s pay-as-you-go Tax Increment Revenue Note, Series 2026 (Elevation Apartments Project), substantially in the form contained in the Authorizing Resolution, to be delivered by the City to the Developer in consideration for the Developer’s payment of Public Development Costs, and any obligation issued to refund the Note.

“Payment Date” has the meaning provided in the Authorizing Resolution.

“Public Development Costs” means those costs to be paid or reimbursed to the Developer by the City in connection with the development hereunder pursuant to Section 3.1 hereof, and as described in EXHIBIT C attached hereto.

“State” means the State of Minnesota.

“Tax Increment” means that portion of the real property taxes which is paid with respect to the Development Property and which is remitted to the City and are permitted to be retained by the City by the County as tax increment pursuant to the TIF Act. The term Tax Increment does not include any amounts retained by or payable to the State auditor under Section 469.177, subdivision 11 of the TIF Act.

“TIF Act” means the Tax Increment Financing Act, Minnesota Statutes, Sections 469.174 through 469.1794, as amended.

“Tax Increment District” or “TIF District” means the City’s Tax Increment Financing District No. 1-18: Elevation Apartments, a housing tax increment financing district, within the Development District.

“Tax Increment Plan” or “TIF Plan” means the Tax Increment Financing Plan for the TIF District, as approved by the City Council on July 27, 2026, and as it may be amended.

“Tax Official” means any County assessor, County auditor, County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Termination Date” means the earlier of the following: (a) the Final Payment Date (as defined in the Note), (b) the date when the Note has been fully paid, defeased or terminated in accordance with its terms; or (c) the date of termination of the Note and this Agreement by the City due to an Event of Default as set forth in Section 9.2 hereof.

“Transfer” has the meaning set forth in Section 8.2(a) hereof.

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, material shortages, prolonged adverse weather or acts of God, pandemic affecting the State as determined by the Governor, acts of war or terrorism, fire or other casualty to the Minimum Improvements, discovery of unknown hazardous materials or other concealed site conditions or delays of contractors due to such discovery, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than the City in exercising its rights under this Agreement) which directly result in delays. Unavoidable Delays shall not include delays in the Developer’s obtaining of permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 hereof.

ARTICLE II

REPRESENTATIONS AND WARRANTIES

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

(a) The City is a statutory city duly organized and existing under the laws of the State. Under the provisions of the City Development Act and the TIF Act, the City has the power to enter into this Agreement and carry out its obligations hereunder, and the execution of this Agreement has been duly, properly and validly authorized by the City. This Agreement contains the valid and binding obligations of the City and is enforceable in accordance with its terms.

(b) The activities of the City under this Agreement are undertaken for the purpose of fostering affordable rental housing for persons of low and moderate income, and for the purpose of promoting economic development and the development of certain real property which for a variety of reasons is presently unutilized and underutilized.

(c) The City has taken the actions necessary in accordance with the terms of the TIF Act to establish the Tax Increment District as a “housing district” within the meaning of Minnesota Statutes, Section 469.174, Subdivision 11.

(d) The Minimum Improvements contemplated by this Agreement is in conformance with the development objectives set forth in the Development Program and the TIF Plan.

(e) The Development Property is properly zoned for construction and operation of the Minimum Improvements.

(f) The City will act in a timely manner, consistent with statutory and the City’s procedural requirements, with regard to all approvals required under this Agreement.

(g) The City has approved execution of this Agreement. The individuals executing this Agreement and related agreements and documents on behalf of the City have the authority to do so and to bind the City by their actions.

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

(a) 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.

(b) In the event the Development Property is conveyed to the Developer, then the Developer will construct, operate, and maintain the Minimum Improvements, or cause the same to be constructed, operated and maintained, in accordance with the terms of this Agreement, and all applicable local, state, and federal laws and regulations (including, but not limited to, environmental, zoning, building code, and public health laws and regulations).

(c) Before the Minimum Improvements 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.

(d) 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.

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

(f) No member of the City Council or other officer of the City has either a direct or indirect financial interest in this Agreement, nor will any member of the City Council or other officer of the City benefit financially from this Agreement within the meaning of Minnesota Statutes, Section 471.87.

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

(h) The Minimum Improvements 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.

(i) The Developer represents that no more than twenty percent (20%) of the square footage of the Minimum Improvements will consist of commercial, retail or other nonresidential use.

(j) The Developer has received no notice or communication from any local, state, or federal official that the activities of the Developer or the City on the Development Property may be or will be in violation of any environmental law or regulation (other than those notices or communications of which the City is aware). The Developer is aware of no facts the existence of which would cause it to be in violation of or give any person a valid claim under any applicable local, state, or federal environmental law, regulation or review procedure.

(k) The Developer will construct the Minimum Improvements in accordance with all applicable local, state, or federal energy-conservation laws or regulations.

(l) To the best of Developer's knowledge and belief, 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 restriction or any evidences 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.

(m) Whenever any Event of Default occurs and if the City shall employ attorneys or incur other expenses for the collection of payments due or to become due, or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer agrees that it shall, within ten days of written demand by the City, pay to the City the reasonable fees of such attorneys and such other expenses so incurred by the City.

(n) The Developer shall promptly advise the City in writing of all litigation or claims affecting any part of the Minimum Improvements and all written complaints and charges made by any governmental authority materially affecting the Minimum Improvements or materially affecting the Developer or its business which may delay or require changes in construction of the Minimum Improvements.

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

(p) The Developer has made its own projections of Tax Increments and revenues to be generated from the Minimum Improvements and of the Developer's return on investment and the Developer has not relied on any assumptions, calculations, determinations or conclusions made by the City, its governing body members, officers or agents, including the independent contractors, consultants and legal counsel, servants and employees thereof, with respect to the foregoing or in determining to proceed with the Minimum Improvements.

(q) The Developer owns fee title to the Development Property.

ARTICLE III

TAX INCREMENT FINANCING AND REIMBURSEMENT

Section 3.1. Public Development Costs. In order to make development of the Minimum Improvements economically feasible, the City will reimburse the Developer for a portion of the Public Development Costs as set forth in more detail in EXHIBIT C attached hereto. The total principal amount of Public Development Costs subject to reimbursement will not exceed \$2,167,000. The Developer anticipates that the Public Development Costs will be at least \$2,167,000. Public Development Costs in excess of the aggregate total are the responsibility of the Developer.

Section 3.2. Issuance of Note.

(a) *Terms.* To reimburse the Developer for a portion of the Public Development Costs paid by the Developer, the City shall issue the Note in the maximum principal amount of \$2,167,000 to pay for Public Development Costs associated with the Minimum Improvements. The City shall issue and deliver the Note upon Developer having:

(i) delivered to the City written evidence reasonably satisfactory to the City that Developer has incurred Public Development Costs for the Minimum Improvements in an amount at least equal to the principal amount of the Note, which evidence must include copies of the paid invoices or other comparable evidence for costs of allowable Public Development Costs, and a statement that no part of such cost has been included in any previous certification under this Section;

(ii) submitted evidence of financing in accordance with Section 7.1 hereof;

(iii) delivered to the City an investment letter in a form reasonably satisfactory to the City;

(iv) the construction of the Minimum Improvements has been substantially completed in accordance with Article IV hereof;

(v) paid all of the Administrative Costs required to have been paid as of such date in accordance with Section 3.3 hereof; and

(vi) no Event of Default regarding the Developer exists which has not been cured under of this Agreement as of such date.

The terms of the Note will be substantially those provided in the form of the note set forth in Schedule B of EXHIBIT E attached hereto, and the Note will be subject to all terms of the Authorizing Resolution, which is incorporated herein by reference. The Note shall bear simple interest at an interest rate equal to 6.50%.

(b) *Assignment of Note.* The City acknowledges that the Developer may assign the Note to a third party. The City consents to such an assignment, conditioned upon receipt of a written instrument of transfer reasonably satisfactory to the City approving such transfer and investment letter from such third party in a form reasonably acceptable to the City.

(c) *Qualifications.*

(i) The Developer understands and acknowledges that all Public Development Costs must be paid by the Developer and will be reimbursed solely from Available Tax Increment pursuant to the terms of the Note. Public Development Costs exceeding the principal amount of the Note are the sole responsibility of the Developer.

(ii) The City makes no representations or warranties regarding whether the amount of Available Tax Increment will be sufficient to pay the principal and interest on the Note. Any estimates of Tax Increment prepared by the City or its municipal 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.

(iii) The Note shall be a special and limited obligation of the City and not a general obligation of the City, and only Available Tax Increment shall be used to pay the principal of and interest on the Note.

(iv) The City's obligation to make payments on the Note on any Payment Date or on any date thereafter shall be conditioned upon the requirement that (A) there shall not at that time be an 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 9.2, and (C) all conditions set forth in Section 3.2(a) have been satisfied as of such date.

Section 3.3. Developer to Pay City's Fees and Expenses. The Developer will pay all of the reasonable Administrative Costs (as defined below) of the City and must pay such costs to the City within 30 days after receipt of a written invoice from the City 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 together with third-party consultant (including reasonable legal, financial advisor, etc.) costs of the City, all attributable to or incurred in connection with the establishment of 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 Minimum Improvements. 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 acknowledges 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, 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, as applicable, written request. Any unused amount of such deposit shall be returned to the Developer.

Section 3.4. Use of Tax Increments. The City shall be free to use the Tax Increments, other than those to which the Developer is entitled pursuant to the provisions of Section 3.2 hereof, for its Administrative Expenses, and for any other purpose for which the Tax Increments may lawfully be used pursuant to applicable provisions of State law.

Section 3.5. Records. The City and its representatives shall have the right at all reasonable times, after reasonable notice, to inspect, examine and copy all books and records of the Developer relating to the Minimum Improvements and the Public Development Costs.

Section 3.6. No Business Subsidy. The parties agree and understand that the purpose of the City's financial assistance to the Developer is to facilitate development of affordable rental housing for persons of low and moderate income, and is not a "business subsidy" within the meaning of Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

ARTICLE IV

CONSTRUCTION OF MINIMUM IMPROVEMENTS

Section 4.1. Construction of Improvements. The Developer agrees that it will construct the Minimum Improvements on the Development Property in accordance with the approved Construction Plans, and at all times prior to the Termination Date will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved, and kept with the appurtenances and every part and parcel thereof, in good repair and condition, ordinary wear and tear excepted. The City shall have no obligation to operate or maintain the Minimum Improvements.

Section 4.2. Construction Plans.

(a) Before commencing construction of the Minimum Improvements, the Developer shall submit to the City Construction Plans for the Minimum Improvements. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with the Development Program, this Agreement, and all applicable State and local laws and regulations. The City Representative will approve the Construction Plans in writing if: (i) the Construction Plans substantially conform in all material respects to the terms and conditions of this Agreement; (ii) the Construction Plans substantially conform in all material respects to the goals and objectives of the Development Program; (iii) the Construction Plans substantially conform in all material respects to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer from all sources for construction of the Minimum Improvements; and (vi) no Event of Default of Developer has occurred and remains uncured. Approval may be based upon a review by the Building Official of the City of the Construction Plans. No approval by the City Representative shall relieve the Developer of the obligation to comply with the terms of this Agreement or of applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the City Representative shall constitute a waiver of an Event of Default that has occurred. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the City Representative, in whole or in part. Such rejections shall set forth in adequate detail the specific reasons therefor, and shall be made within thirty (30) days after the date of their receipt by the City. If the City Representative rejects any Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within thirty (30) days after written notification to the Developer of the rejection. 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 Representative. The City Representative's approval shall not be unreasonably withheld, conditioned, or delayed. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

The Developer hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the City and/or any changes in the Construction Plans requested by the City. Neither the City, nor any employee or official of the City shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the City.

(b) If the Developer desires to make any material change in the Construction Plans after their approval by the City, the Developer shall submit the proposed change to the City for approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section with

respect to such previously approved Construction Plans, the City shall approve the proposed change and notify the Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in adequate detail the specific reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The City's approval of any such change in the Construction Plans will not be unreasonably withheld, conditioned or delayed.

Section 4.3. Commencement and Completion of Construction. Subject to the terms and conditions of this Agreement and to Unavoidable Delays, the Developer shall commence the construction of the Minimum Improvements by December 31, 2026 and substantially complete construction of the Minimum Improvements by December 31, 2028. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in substantial conformity with the Construction Plans as submitted by the Developer and approved by the City.

The Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon as provided herein, and that such construction shall in any event be commenced and completed within the period specified in this Section. Subsequent to execution of this Agreement, and until construction of the Minimum Improvements has been completed, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the City, as to the actual progress of the Developer with respect to such construction.

Section 4.4. Certificate of Completion.

(a) Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of this Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for commencement and completion thereof), the City Representative will furnish the Developer with a Certificate of Completion in substantially the form set forth in EXHIBIT B attached hereto. The Certificate of Completion shall be a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement with respect to the obligations of the Developer, and its successors and assigns, to construct the Minimum Improvements and the date for the completion thereof. Such Certificate of Completion and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) If the City Representative shall refuse or fail to provide the Certificate of Completion in accordance with the provisions of this Section 4.4, the City Representative shall, within thirty (30) days after written request by the Developer, provide the Developer with a written statement, indicating in adequate and specific detail in what respects the Developer has failed to complete the Minimum Improvements in accordance with the provisions of this Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the reasonable opinion of the City, for the Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be commenced on the first day that any physical construction work is performed on the Development Property; and shall be deemed to be substantially complete upon issuance of a certificate of occupancy by the City.

Section 4.5. Income Limits.

(a) The City and the Developer understand and agree that the TIF District will constitute a “housing district” under Section 469.174, subdivision 11 of the TIF Act. The Developer covenants that, commencing on the date a certificate of occupancy is received from the City and for the duration of the TIF District, it will comply with all income requirements for a qualified residential rental project as defined in Section 142(d) of the Internal Revenue Code of 1986, as amended. Specifically, the Developer agrees and covenants that twenty percent (20%) of the residential units of the Minimum Improvements (20 units) will be reserved for persons or families with incomes at or less than fifty percent (50%) of areawide median income, as adjusted for family size.

(b) On or before April 1 of each year for the duration of the TIF District, commencing after the date a certificate of occupancy is received from the City, the Developer shall submit evidence in substantially the form set forth in EXHIBIT D attached hereto, showing that the Minimum Improvements meet the relevant income and rent requirements. The parties agree and understand that the Developer may retain a manager (the “Manager”) who will review such evidence and may certify on behalf of the Developer that the Minimum Improvements meet the relevant income and rent requirements. The Developer is responsible for any costs incurred to compensate the Manager (or any successor) for such activities.

(c) If the City reasonably determines based on evidence submitted by the Developer or receives notice from any Manager, the State department of revenue, the State auditor, any Tax Official or any court of competent jurisdiction that the TIF District does not qualify as a “housing district,” such event shall be deemed an Event of Default under this Agreement. In addition to any remedies available to the City under Article IX hereof, the Developer shall indemnify, defend and hold harmless the City for any damages or costs resulting therefrom.

(d) The Developer understands that if it does not comply with the affordability covenants in this Section, the TIF Act requires the City to decertify the TIF District.

ARTICLE V

INSURANCE AND CONDEMNATION

Section 5.1. Insurance.

(a) The Developer will provide and maintain at all times during the process of constructing the Minimum Improvements 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:

(i) builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy. The interest of the City shall be protected in accordance with a clause in form and content satisfactory to the City;

(ii) comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations, and contractual liability insurance) 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 insureds on the policy; and

(iii) 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.

(b) Upon completion of construction of the Minimum Improvements 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:

(i) insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses;

(ii) 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; and

(iii) 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.

(c) All insurance required in this Article shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City a certificate or certificates of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article, 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 and the City at least thirty (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 Minimum Improvements.

(d) The Developer agrees to notify the City immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer either will forthwith repair, reconstruct, and restore the Minimum Improvements 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.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, 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.

(e) Notwithstanding the foregoing or anything in this Agreement apparently to the contrary, in lieu of its obligation to reconstruct the Minimum Improvements as set forth in this Section, the Developer shall have the option of: (i) paying to the City an amount that, in the reasonable opinion of the City and its municipal advisor, is sufficient to pay in full the outstanding principal and accrued interest on the Note, or (ii) so long as the Developer is the owner of the Note, waiving its right to receive subsequent payments under the Note.

(f) The Developer and the City agree that all of the insurance provisions set forth in this Article V shall terminate upon the Termination Date.

Section 5.2. Subordination. Notwithstanding anything to the contrary herein, the rights of the City with respect to the receipt and application of any insurance proceeds shall, in all respects, be subordinate and subject to the rights of any Holder under a Mortgage.

ARTICLE VI

REAL PROPERTY TAXES

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City is providing substantial aid and assistance in furtherance of the construction of the Minimum Improvements through issuance of the Note. The Developer understands that the Tax Increments collected by the City from the Development Property pledged to payment on the Note 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, in addition to the obligation pursuant to statute to pay real estate taxes, that it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. 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 6.2. Reduction of Taxes. The Developer agrees that prior to the Termination Date,

(a) It will not cause a reduction in the real property taxes paid in respect of the Development Property by (i) willful destruction of the Development Property or any part thereof; or (ii) willful refusal to reconstruct damaged or destroyed property, except to the extent otherwise provided in Section 5.1; (iii) filing any petition to seek reduction in market value or property taxes on any portion of the Development Property under any State law.

(b) 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.

(c) 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 Minimum Improvements 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.

(d) It will not apply for or obtain designation of the Development Property as low income rental property classified as “4d(1)” under Minnesota Statutes, Section 273.13, subdivision 25.

ARTICLE VII

MORTGAGE FINANCING

Section 7.1. Financing. Before commencement of construction of the Minimum Improvements, the Developer shall submit to the City evidence of one or more commitments for financing which, together with committed equity for such construction, is sufficient for the acquisition of the Development Property, and constructing the Minimum Improvements. Such commitments may be submitted as short-term financing, long-term financing, a bridge loan with a long term take-out financing commitment, or any combination of the foregoing. Such commitment or commitments for short-term or long-term financing shall be subject only to such conditions as are normal and customary in the mortgage banking industry.

Section 7.2. City's Option to Cure Default on Mortgage. In the event that any portion of the Developer's funds is provided through mortgage financing, and there occurs a default under any Mortgage authorized pursuant to this Article VII, the Developer shall provide the City with copies of any notice of default received by the Developer from the holder of such Mortgage. Thereafter, the City shall have the right, but not the obligation, to cure any such default on behalf of the Developer within such cure periods as are available to the Developer under the Mortgage documents.

ARTICLE VIII

PROHIBITIONS AGAINST ASSIGNMENT AND TRANSFER; INDEMNIFICATION

Section 8.1. Representation as to Development. The Developer represents and agrees that its purchase of the Development Property, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Development Property and not for speculation in land holding.

Section 8.2. Prohibition Against Developer's Transfer of Property and Assignment of Agreement. The Developer represents and agrees that prior to issuance of the Certificate of Completion for the Minimum Improvements:

(a) Except as specifically described by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to the Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same (except a lease to a residential occupant) (collectively a "Transfer"), to any person or entity, without the prior written approval of the City Council. The term "Transfer" does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to acquire the Development Property or construct the Minimum Improvements; (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements; or (iii) any sale, conveyance, or transfer in any form to any Affiliate.

(b) If the Developer seeks to effect a Transfer requiring the approval of the City prior to issuance of the Certificate of Completion, the City shall be entitled to require as conditions to such Transfer that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the City, necessary and adequate to fulfill the obligations undertaken in this Agreement by the Developer as to the portion of the Development Property to be transferred.

(ii) Any proposed transferee, by instrument in writing reasonably satisfactory to the City, and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property and Minimum Improvements to be transferred and agreed to be subject to all the conditions and restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property and Minimum Improvements, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or controls with respect to the Development Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property, the Minimum Improvements or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Development Property and Minimum Improvements that the City would have had, had there been no such transfer or change. In the absence of specific written agreement by

and the City to the contrary, no such transfer or approval the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the Development Property, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the City.

(c) If the conditions described in paragraph (b) are satisfied then the Transfer will be approved and the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (c) apply to all subsequent transferors, assuming compliance with the terms of this Article.

(d) After issuance of the Certificate of Completion, the Developer may transfer or assign the Minimum Improvements and/or the Developer's rights and obligations under this Agreement with respect to such property without the prior written consent of the City; provided that:

(i) until the Termination Date the transferee or assignee is bound by all the Developer's obligations hereunder with respect to the property and rights transferred. The Developer shall submit to the City written evidence of any such transfer or assignment, including the transferee or assignee's express assumption of the Developer's obligations under this Agreement. If the Developer fails to provide such evidence of transfer and assumption, the Developer shall remain bound by all obligations with respect to the subject property under this Agreement; and

(ii) upon compliance with clause (d)(i) above, the Developer shall be released from its obligations under this Agreement with respect to the property transferred.

The provisions of this paragraph (d) apply to all subsequent transferors, assuming compliance with the terms of this Article.

Section 8.3. Release and Indemnification Covenants.

(a) The Developer releases from and covenants and agrees that the City, and the governing body members, officers, agents, servants, and employees thereof (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 Development Property or the Minimum Improvements other than loss or damage to property or any injury to or death of any person resulting from the willful misconduct of the Indemnified Parties.

(b) Except for any willful misrepresentation or any willful or wanton misconduct of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance, and operation of the Development Property.

(c) The Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the

Development Property or Minimum Improvements except for any action arising from the willful misconduct of the Indemnified Parties.

(d) All covenants, stipulations, promises, agreements, and obligations of the City contained herein shall be deemed to be the covenants, stipulations, promises, agreements, and obligations of such entity and not of any governing body member, officer, agent, servant, or employee of such entities in the individual capacity thereof.

ARTICLE IX

EVENTS OF DEFAULT

Section 9.1. 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, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such thirty-(30) day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

(a) Failure by the Developer or the City to observe or perform any covenant, condition, obligation, or agreement on its part to be observed or performed under this Agreement;

(b) Commencement by the Holder of any Mortgage on the Development Property or any improvements thereon, or any portion thereof, of foreclosure proceedings as a result of default under the applicable Mortgage documents; or

(c) If the Developer shall:

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law; or

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

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

(iv) be adjudicated a bankrupt or insolvent.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 hereof occurs, the non-defaulting party may:

(a) Suspend its performance under this Agreement until it receives reasonable assurances that the defaulting party will cure its default and continue its performance under this Agreement.

(b) Cancel and rescind or terminate this Agreement.

(c) Upon an Event of Default by the Developer, the City may terminate the Note and decertify the TIF District.

(d) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement, including but not limited to exercising its rights under Section 469.105 of the EDA Act.

Section 9.3. No Remedy Exclusive. No remedy herein conferred upon or reserved to the City or the Developer in this Agreement 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. In order to entitle the City to exercise any remedy reserved to them, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.4. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the 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 9.5. Attorney Fees. Whenever any Event of Default on the part of the Developer occurs and if the City employs attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the Developer under this Agreement, the Developer shall, within ten (10) days of written demand by the City, pay to such entity the reasonable fees of such attorneys and such other expenses so incurred by such entity.

ARTICLE X

ADDITIONAL PROVISIONS

Section 10.1. Conflict of Interests; City Representatives Not Individually Liable. The City and the Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the City shall have any personal interest, direct or indirect, in this Agreement, nor shall any such member, official, or employee participate in any decision relating to this Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the City shall be personally liable to the Developer, or any successor in interest, in the event of any default or breach by the City or for any amount which may become due to the Developer or successor or on any obligations under the terms of this Agreement.

Section 10.2. Equal Employment Opportunity. The Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in this Agreement it will comply with all applicable federal, state, and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. The Developer agrees that, until the Termination Date, the Developer, and its successors and assigns (a) shall use the Development Property solely for the development of residential rental housing in accordance with the terms of this Agreement, and (b) shall not discriminate upon the basis of race, color, creed, sex, or national origin in the sale, lease, or rental, or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of this Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.5. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under this Agreement by either party to the 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 the Developer at 3155 Pioneer Road SE, Alexandria, MN 56308, Attn: Samuel Herzog; and

(b) in the case of the City, is addressed to or delivered personally to the City at City Hall, 420 North Pokegama Avenue, Grand Rapids, MN 55744, Attn: City Administrator;

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

Section 10.6. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.7. Recording. The City may record this Agreement and any amendments thereto with the Itasca County recorder. The Developer shall pay all costs for recording.

Section 10.8. Termination. This Agreement terminates on the Termination Date, except that termination of the Agreement does not terminate, limit or affect the rights of any party that arise before the Termination Date.

Section 10.9. Amendment. This Agreement may be amended only by written agreement approved by the City and the Developer. The Developer shall pay all costs for recording. The Developer's obligations under this Agreement are covenants running with the land for the term of this Agreement, enforceable by the City against the Developer, its successor and assigns, and every successor in interest to the Development Property, or any part thereof or any interest therein.

Section 10.10. Choice of Law and Venue. This Agreement shall be governed by and construed in accordance with the laws of the State. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the State or federal courts of the State, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

Section 10.11. Good Faith. Each party shall act in good faith and in a commercially reasonable manner with respect to any matter contemplated by this Agreement, including, without limitation, approving or disapproving any request, including any request for approval of plans.

Section 10.12. Estoppel Certificates. The City agrees that it will, from time to time, upon request by Developer and at the Developer's sole expense, execute and deliver to Developer and to any parties designated by Developer, within ten (10) days following demand therefor, an estoppel certificate certifying (i) that this Agreement is unmodified and in full force and effect (or if there have been modifications, that the same are in full force and effect as so modified), (ii) that there are no defaults hereunder (or specifying any claimed defaults), and (iii) such other matters as may be reasonably requested by Developer including, without limitation, certifications as to the completion and acceptance of the Minimum Improvements.

Section 10.13. 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 10.14. Government Data. The Developer has been required to provide certain data to the City or its consultants in connection with applying for financial assistance in constructing the Minimum Improvements. 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 to ensure compliance with this Agreement and the TIF Act. All data provided to the City or its consultants is government data within the meaning of Minnesota Statutes, Chapter 13 (the "MGDPA"). The parties recognize that some of the data provided by the Developer to the City or its consultants may be nonpublic data as defined by the MGDPA. The parties acknowledge that the City is 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 and the Developer have caused this TIF Development Agreement to be duly executed 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 _____, 2026 by Tasha Connelly, the Mayor of the City of Grand Rapids, Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____day of _____, 2026 by Tom Pagel, the City Administrator of the City of Grand Rapids, Minnesota, on behalf of the City.

Notary Public

Execution page of the Developer to the TIF Development Agreement, dated the date and year first written above.

ELEVATION GRAND RAPIDS LLC

By _____

Its _____

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____day of _____, 2026 by _____, the _____ of Elevation Grand Rapids LLC, a Minnesota limited liability company, on behalf of said limited liability company.

Notary Public

EXHIBIT A

LEGAL DESCRIPTION

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

[INSERT LEGAL DESCRIPTION]

EXHIBIT B**CERTIFICATE OF COMPLETION**

The undersigned hereby certifies that Elevation Grand Rapids LLC (the “Developer”) has fully complied with its obligations under Articles III and IV of the TIF Development Agreement (the “Agreement”), dated _____, 2026, between the City of Grand Rapids, Minnesota (the “City”) and the Developer, with respect to construction of the Minimum Improvements (as both defined in the Agreement) in accordance with Article IV of the Agreement, and that the Developer is released and forever discharged from its obligations with respect to construction of the Minimum Improvements under Articles III and IV of the Agreement.

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 _____, 2026 by Tasha Connelly, the Mayor of the City of Grand Rapids, Minnesota, on behalf of the City.

Notary Public

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____day of _____, 2026 by Tom Pagel, the City Administrator of the City of Grand Rapids, Minnesota, on behalf of the City.

Notary Public

This document was drafted by:
Kutak Rock LLP
60 South Sixth Street, Suite 3400
Minneapolis, MN 55402

EXHIBIT C
PUBLIC DEVELOPMENT COSTS

EXHIBIT D**COMPLIANCE CERTIFICATE**

The undersigned officer of Elevation Grand Rapids LLC (the “Developer”) does hereby certify that as of the date of this Compliance Certificate not less than twenty percent (20%) of the residential units are occupied by individuals or families whose income is fifty percent (50%) or less of the area median gross income, as adjusted for family size. Attached hereto as **Exhibit A** are the income verifications used to establish the above conclusions broken down by unit type and size.

This Compliance Certificate is given in accordance with the terms of Section 4.5 of the TIF Development Agreement, dated _____, 2026, between the City of Grand Rapids, Minnesota and the Developer.

Dated this ____ day of _____, 20__.

ELEVATION GRAND RAPIDS LLC

By _____
Its _____

EXHIBIT A TO COMPLIANCE CERTIFICATE**Form of Renter's Income Verification Form****PROPERTY INFORMATION**

Postal Address of Property _____

Unit Number _____

**TENANT INFORMATION
(TO BE COMPLETED BY TENANT)**

Name of Tenant _____

Phone # _____

Number of family/household members: _____

Annual Household Income* \$ _____

**Annual Household Income must be supported by documentation (i.e. copy of most current 1040's, etc.). Failure to provide verification will constitute a "non-qualifying tenant".*

Signature of Tenant(s) _____ Date _____

_____ Date _____

**INCOME LIMIT INFORMATION
(TO BE COMPLETED BY DEVELOPER)**

20____ Income Limits	
<u>Family Size</u>	<u>Income</u>
1	
2	
3	
4	
5	
6	
7	
8	

Does the Tenant meet these limits and has appropriate documentation been submitted?

_____ YES _____ NO

Pursuant to the TIF Development Agreement between the City of Grand Rapids and Elevation Grand Rapids LLC dated as of _____, 2026, at least 20 of the 99 rental units comprising the Minimum Improvements must be reserved for tenants whose income is 50% or less of the area's median gross income .

Reviewed and approved on behalf of Elevation Grand Rapids LLC

By _____

Date _____

EXHIBIT E

AUTHORIZING RESOLUTION

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

APPROVING A TIF DEVELOPMENT AGREEMENT, AND AWARDING THE SALE OF, AND PROVIDING THE FORM, TERMS, COVENANTS AND DIRECTIONS FOR THE ISSUANCE OF ITS TAX INCREMENT REVENUE NOTE (ELEVATION APARTMENTS PROJECT) TO ELEVATION GRAND RAPIDS LLC

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

Section 1. Recitals; Approval and Authorization; Award of Sale.

1.01. Recitals.

(a) The City has heretofore approved the establishment of the Tax Increment Financing District No. 1-18: Elevation Apartments Project, a housing district (the “TIF District”), within Municipal Development District No. 1 in the City (the “Development District”), and has adopted a tax increment financing plan therefor for the purpose of financing certain improvements within the Development District.

(b) To facilitate the development of certain property within the Development District and the TIF District, the City and Elevation Grand Rapids LLC, a Minnesota limited liability company, or an affiliate thereof or party related thereto (the “Developer”), have negotiated a TIF Development Agreement (the “Agreement”) which provides for the issuance by the City of its Tax Increment Revenue Note, Series 2026 (Elevation Apartments Project) (the “Note”) to the Developer to acquire certain real property located in the City (the “Development Property”) and to construct and equip an approximately 99-unit multifamily rental housing facility with at least twenty percent (20%) of such units to be available to persons or families of low and moderate income, with all related improvements to be completed, owned and operated by the Developer on the Development Property (the “Minimum Improvements”).

1.02. Approval of Agreement.

(a) The Council approves the Agreement in substantially the form presented, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications, or consents referenced in or attached to the Agreement (the “Development Documents”).

(b) The Council hereby authorizes the Mayor and the City Administrator in their discretion and at such time, if any, as they may deem appropriate, to execute the Development Documents on behalf of the City, and to carry out, the City’s obligations thereunder when all conditions precedent thereto have been satisfied. The Development Documents shall be in substantially the form on file with the City and 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.

(c) 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 by any duly designated acting official, or by such other officer or officers of the City as, in the opinion of the City Attorney, may act in their behalf. 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, including without limitation the issuance of tax increment revenue obligations thereunder when all conditions precedent thereto have been satisfied and reserving funds for the payment thereof in the applicable tax increment accounts.

1.04. Authorization of Note. Pursuant to Minnesota Statutes, Section 469.178, the City is authorized to issue and sell its bonds for the purpose of financing a portion of the public development costs of the Development District. Such bonds are payable from all or any portion of revenues derived from the TIF District and pledged to the payment of the bonds. The City hereby finds and determines that it is in the best interests of the City that it issue and sell the Note to the Developer for the purpose of financing certain public development costs of the Development District, subject to all terms and conditions of the Agreement.

1.05. Issuance, Sale, and Terms of the Note.

(a) The City hereby authorizes the Mayor and City Administrator to issue the Note in accordance with the Agreement. All capitalized terms in this resolution have the meaning provided in the Agreement unless the context requires otherwise.

(b) The Note shall be issued to the Developer in the maximum aggregate principal amount of \$2,167,000 in consideration of certain eligible costs incurred by the Developer in connection with construction of the Minimum Improvements. The Note shall be dated the date of delivery thereof and shall bear interest at the rate set forth in the Agreement from the date of issue to the earlier of maturity or prepayment. The Note will be issued in the principal amount of the Public Development Costs submitted and approved in accordance with Section 3.1 of the Agreement. The Note is secured by Available Tax Increment, as further described in the form of the Note set forth in SCHEDULE A attached hereto. The City hereby delegates to the City Administrator the determination of the date on which the Note is to be delivered, in accordance with the Agreement.

Section 2. Form of Note. The Note shall be in substantially the form set forth in SCHEDULE A attached hereto, with the blanks to be properly filled in and the principal amount adjusted as of the date of issue:

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note shall be issued as a single typewritten note numbered R-1. The Note shall be issuable only in fully registered form. Principal of and interest on the Note shall be payable by check or draft issued by the Registrar described herein.

3.02. Dates; Interest Payment Dates. Principal of and interest on the Note shall be payable by mail to the owner of record thereof as of the close of business on the fifteenth day of the month preceding the Payment Date, whether or not such day is a business day.

3.03. Registration. The City hereby appoints the City Administrator of the City 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 Note and the registration of transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of any 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, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new 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 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 any Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such 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 Note is at any time registered in the bond register as the absolute owner of such Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of and interest on such 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 Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the 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 Note. In case the Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such 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 Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such 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 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 Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The 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 Note shall cease to be such officer before the delivery of the 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 Note has been so executed, it shall be delivered by the City Administrator to the owner thereof in accordance with the Agreement.

Section 4. Security Provisions.

4.01. Pledge. The City hereby pledges to the payment of the principal of and interest on the Note all Available Tax Increment as defined in the Note.

4.02. TIF Fund. Until the date the Note is no longer outstanding and no principal thereof or interest thereon (to the extent required to be paid pursuant to this resolution) remains unpaid, the City shall maintain a separate and special "TIF Fund" to be used for the payment of the principal of and interest on the Note. The City irrevocably agrees to appropriate to the TIF Fund on or before each Payment Date the Available Tax Increment in an amount equal to the Payment then due, or the actual Available Tax Increment, whichever is less. Any Available Tax Increment remaining in the TIF Fund upon the termination of the Note in accordance with its terms may be used for any authorized purpose in accordance with the TIF Act.

4.03. Additional Obligations. The City will issue no other obligations secured in whole or in part by Available Tax Increment unless such pledge is on a subordinate basis to the pledge on the Note.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the City are hereby authorized and directed to prepare and furnish to the owner of the 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 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 6. Effective Date. This resolution shall be effective upon approval.

Approved this ____ day of _____, 2026, by the City Council of the City of Grand Rapids, Minnesota.

Mayor

ATTEST:

City Clerk

SCHEDULE B**FORM OF TIF NOTE**

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

No. R-1

\$ _____

TAX INCREMENT REVENUE NOTE
 SERIES 2026
 (ELEVATION APARTMENTS PROJECT)

RateDate of Original Issue

6.50%

_____, 20__

The City of Grand Rapids, Minnesota (the “City”) for value received, certifies that it is indebted and hereby promises to pay to Elevation Grand Rapids LLC, a Minnesota limited liability company, or its registered assigns (the “Owner”), the principal sum of \$_____ and to pay interest thereon at the rate of ____% per annum, solely from the sources and to the extent set forth herein. Capitalized terms shall have the meanings provided in the TIF Development Agreement, dated as of _____, 2026 (the “Agreement”), between the City and the Owner, unless the context requires otherwise.

1. Payments. Principal and interest (the “Payments”) shall be paid on August 1, 2028 and each August 1 and February 1 thereafter (the “Payment Dates”) to and including the earliest of (i) February 1, 2054, (ii) such date (if any) as the City shall have terminated the Agreement pursuant to its terms, or (iii) until the Developer has received the principal amount of the Note plus accrued interest thereon (the “Final Payment Date”), in the amounts and from the sources set forth in Section 3 hereof. Payments shall be applied first to accrued interest, and then to unpaid principal.

Payments are payable by mail to the address of the Owner or such other address as the Owner may designate upon thirty (30) days written notice to the City. Payments on this Note are payable in any coin or currency of the United States of America which, on the Payment Date, is legal tender for the payment of public and private debts.

2. Interest. Simple, non-compounding interest at the rate stated herein shall accrue on the unpaid principal, commencing on the date of original issue. Interest shall be computed on the basis of a year of 360 days consisting of twelve 30-day months and shall be charged for actual days principal is unpaid.

3. Available Tax Increment. (a) Payments on this Note are payable on each Payment Date solely from and in the amount of Available Tax Increment, which shall mean 90% of the Tax Increment attributable to the Minimum Improvements and Development Property that is paid to the City by Itasca County in the six (6) months preceding the Payment Date on the Note. Available Tax Increment shall not include any Tax Increment if, as of any Payment Date, there is an uncured Event of Default under the Agreement.

The City shall have no obligation to pay principal of and interest on this Note on each Payment Date from any source other than Available Tax Increment, and the failure of the City to pay the entire amount of principal or interest on this Note on any Payment Date shall not constitute a default hereunder as long as the City pays principal and interest hereon to the extent of Available Tax Increment. The City shall have no obligation to pay any unpaid balance of principal or accrued interest that may remain after the Final Payment Date.

4. Default. If on any Payment Date there has occurred and is continuing any Event of Default under the Agreement, the City may withhold from payments hereunder all Available Tax Increment. If the Event of Default is thereafter cured in accordance with the Agreement, the Available Tax Increment withheld under this Section shall be deferred and paid, without interest thereon, on the next Payment Date after the Event of Default is cured. If the Event of Default is not cured in a timely manner, the City may terminate this Note by written notice to the Owner in accordance with the Agreement.

5. Optional Prepayment. The principal sum and all accrued interest payable under this Note is prepayable in whole or in part at any time by the City without premium or penalty. No partial prepayment shall affect the amount or timing of any other regular payment otherwise required to be made under this Note.

6. Termination. At the City's option, this Note shall terminate and the City's obligation to make any payments under this Note shall be discharged upon the occurrence of an Event of Default on the part of the Developer as defined in Section 9.1 of the Agreement, but only if the Event of Default has not been cured following notice to the Developer and the applicable cure period in accordance with the Agreement.

7. Nature of Obligation. This Note is issued in the total principal amount of \$2,167,000, issued to aid in financing certain public development costs and administrative costs of a Development District undertaken by the City pursuant to Minnesota Statutes, Sections 469.124 through 469.133, as amended, and is issued pursuant to an authorizing resolution (the "Resolution") duly adopted by the City on July 27, 2026, and pursuant to and in full conformity with the Constitution and laws of the State of Minnesota, including Minnesota Statutes, Sections 469.174 through 469.1794, as amended. This Note is a limited obligation of the City which is payable solely from Available Tax Increment pledged to the payment hereof under the Resolution. This Note and the interest hereon shall not be deemed to constitute a general obligation of the City, the State of Minnesota or any political subdivision thereof, including, without limitation, the City. Neither the State of Minnesota, the City, nor any political subdivision thereof shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except out of Available Tax Increment, and neither the full faith and credit nor the taxing power of the City or any political subdivision thereof is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

8. Registration and Transfer. This Note is issuable only as a fully registered note without coupons. As provided in the Resolution, and subject to certain limitations set forth therein, this Note is transferable upon the books of the City kept for that purpose at the principal office of the City Administrator of the City, 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 and an investment letter executed by the transferee to the City. 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 date.

Except as otherwise provided in Section 3.2(b) of the Agreement, this Note shall not be transferred to any person or entity, unless the City has provided written consent to such transfer.

9. Estimates of Available Tax Increment. Any estimates of Tax Increment prepared by the City or its financial advisors in connection with the Available Tax Increment and the Agreement are for the benefit of the City only, and are not intended as representations on which the Developer may rely.

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 exist, to happen, and to be performed in order to make this Note a valid and binding limited obligation of the City according to its terms, have been done, do exist, have happened, and have been performed in due form, time and manner as so required.

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

CITY OF GRAND RAPIDS, MINNESOTA

Mayor

City Administrator

REGISTRATION PROVISIONS

The ownership of the unpaid balance of the Note herein is registered in the bond register of the City Administrator of the City of Grand Rapids, Minnesota, in the name of the person last listed below.

Date of Registration

Registered Owner

Signature of
City Administrator

Elevation Grand Rapids LLC
Federal Tax I.D. No.:



Tax Increment Financing (TIF) Housing District 1-18

Elevation Grand Rapids LLC/Unique Opportunities

Elevation Apartment Project

1250 SE 2nd Ave.

July 23, 2026



Project Background

- **Unique Opportunities Grand Rapids, LLC of Alexandria, MN (Developer) filed an application for TIF Business Assistance on May 11th of this year requesting Tax Increment Financing (TIF) in the amount of \$2,167,000. This will be the third housing development by Unique in the City of Grand Rapids.**
- **Project Scope – The Developer’s application detailed a proposal for the development of a 99-unit 4-story apartment, with underground parking, community room, fitness room, outdoor playground and pickleball court. The unit mix will consist of 11 Studio, 12-Alcove 1 bdrm., 16-1 bdrm., 44-2 bdrm., 8-3 bdrm. and 8-4 bdrm.**
- **Project Timeline and Cost - The project is proposed to begin either this fall or spring of 2027, with a projected completion in the summer of 2028. The estimated total development cost is approximately \$20,169,081.**
- **Project Location – The project is proposed to be located on an undeveloped, privately held 5.7-acre site with a future address of 1250 SE 2nd Ave, for which Unique Opportunities has secured a purchase agreement.**



Project Background

Map of City Development District







Project Background





Project Background





Project Background



Exterior Rendering
Grand Rapids, MN



Project Background

Project Sources and Uses:

Sources/Revenue:		Uses/Development Costs:	
First Mortgage	\$10,052,081	Site Acquisition	\$600,000
Equity	\$7,950,000	Construction Costs	\$15,625,000
TIF Note	\$2,167,000	Professional Services/Fees	\$1,000,000
		Financing Costs	\$680,000
		Development Fee	\$1,250,000
		Cash Accounts/Escrows/Reserves	\$14,081
Total:	\$20,169,081	Total:	\$20,169,081



Project Background

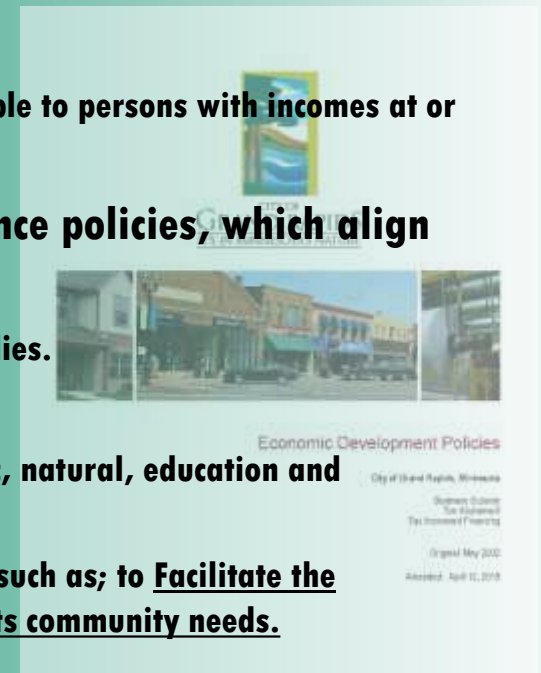
Current and Future Assessed Value Estimate:

	Current (Itasca County Assessor)	Future Estimate (Itasca County Assessor)
Land Value (5.7 acres)	\$351,500	\$351,500
Building Value	\$0	\$12,771,200
Total Value	\$351,500	\$13,122,700
Annual Property Taxes (Pay 2026 Rate)	\$11,962	\$218,501



TIF Business Assistance

- **The proposed TIF district would be a Housing District**
 - Consistent with the TIF Act, 20% of the total number of units will be affordable to persons with incomes at or below 50% of the area median income.
- **The Public Purpose objectives, within the City's business assistance policies, which align with this project are:**
 - To create housing opportunities for senior and low to moderate income families.
 - To enhance or diversify the City's economic base.
 - To provide a diversity of housing adjacent to cultural, recreational, economic, natural, education and transportation systems.
 - To accomplish other public policies consistent with the Comprehensive Plan, such as; to Facilitate the development of a vibrant, varied and interconnected housing stock that meets community needs.
- **In Minnesota, TIF can be used for two purposes:**
 - To finance public infrastructure that is related to the development, or
 - To induce or cause a development or redevelopment that otherwise would not occur. (The economics of the development won't work without the assistance, for reasons such as; added cost of building acquisition and removal, development costs won't allow for affordable rents, added cost of site cleanup, etc.)





TIF Business Assistance

- **TIF But-for Test**

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

- **TIF Basics:**

$$\begin{array}{|c|} \hline \text{Total Tax Capacity} \\ \text{(Post Development)} \\ \hline \end{array} - \begin{array}{|c|} \hline \text{Original Tax Capacity} \\ \text{(Pre Development)} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Captured Tax Capacity} \\ \hline \end{array}$$

$$\begin{array}{|c|} \hline \text{Captured Tax Capacity} \\ \hline \end{array} \times \begin{array}{|c|} \hline \text{Local Tax Rate} \\ \hline \end{array} = \begin{array}{|c|} \hline \text{Tax Increment} \\ \hline \end{array}$$

- It's important to note that the current property taxes collected from this parcel will continue to be collected by the local taxing entities. Only the new Captured Tax Capacity generated by the improvements will contribute to the project.
- The increase in taxes resulting from the new development (increment) is only delayed until the TIF commitment is satisfied.
- Upon that satisfaction, all property taxes resume full distribution to the taxing entities.



TIF Business Assistance

- **TIF Need Analysis** – the City’s fiscal consultant Ehlers has analyzed and evaluated the Developer’s updated project budget and pro forma based upon industry standards and market ranges for rent, rate of return, yield on cost, development costs, operating costs, development fees and revenues, debt terms and rent revenue.
 - Based upon that analysis, it was determined that these elements of the proposed development were within an expected range and that TIF assistance in the requested amount is required to achieve an average expected average cash-on-cash return on investment of 11.3% over the maximum 26-year term, should it be needed to return the full principal and interest of the assistance. The year 10 Internal Rate of Return is approximately 10.4%. The Project’s financial performance is acceptable and does not exceed typical return expectations for this type of project and should make it perform well enough to secure financing.



TIF Business Assistance

- **When approving a TIF Plan, the City Council must find (among other things) that:**
 - The proposed development would not reasonably be expected to occur solely through private investment in the reasonably foreseeable future; and
 - The increased market value of the site that could reasonably be expected to occur without the use of TIF would be less than the increase estimated to result from the proposed development.
- **The Draft Resolution, TIF Plan and its Appendix C address these required findings and describe the basis of the determined need for this public assistance in furthering the public purposes of creating housing opportunities for low to moderate income families, providing a diversity of life cycle housing adjacent to cultural, recreational, economic, natural, education and transportation systems, and to improve the tax base and to improve the general economy.**
- **The proposed TIF involves pay-as-you-go financing, which means the developer will pay the costs of creating the improvements with their funds, and the increments, as they are generated by the new development, will be used to reimburse the developer for these costs over time.**
- **Housing TIF districts have a maximum duration of 26 years. It is projected that, at full development, the principal amount of the TIF obligation, assuming a present value rate of 6.5%, will be fully funded in over the maximum term.**
- **In accordance with statutory requirements, 20% of the units (20 units) will be reserved for households earning no greater than 50% of the area median income. No rent restrictions apply to this project, however.**



Process

At this meeting, GREDA will review the application and consider adoption of a resolution:

- 1. Supporting the creation of a tax increment financing district within Municipal Development District No. 1, establishing TIF District 1-18 therein, the program and TIF Plan; and recommending approval of a TIF Development Agreement between the City of Grand Rapids and Elevation Grand Rapids, LLC.**

The City Council will hold a public hearing on July 27, 2026, to consider this request for TIF Business Assistance. Actions that will be considered immediately following the Public Hearing will include:

- 1. Adoption of a resolution approving the establishment of TIF District No. 1-16 and approving the TIF Plan for the District; and**
- 2. Adoption of a resolution approving the TIF Development Agreement between the City and Elevation Grand Rapids LLC and awarding the sale of, and providing the form, terms, covenants and directions for the issuance of its tax increment revenue note; and**
- 3. Adoption of a resolution approving an interfund loan in connection with the TIF District.**



Questions?



MEMORANDUM

TO: Rob Mattei, Community Development Director
FROM: Schane Rudlang and Rebecca Kurtz, Ehlers
DATE: July 9, 2026
SUBJECT: Elevation Apartments – Proforma Review and Assistance Need

The City of Grand Rapids (“City”) received a request for public assistance from Elevation Grand Rapids LLC/Unique Opportunities (“Developer”) for a 99-unit mixed-income multifamily rental housing development (“Project”). The Project is proposed to qualify as a housing tax increment financing district, with 20 residential units (20%) reserved for households at or below 50% of area median income. This memo summarizes Ehlers’ review of the Developer’s financial request, the proforma assumptions, and the recommended assistance structure.

Project Background

The Project includes 79 market-rate units and 20 income-restricted units affordable to households at or below 50% of area median income. Construction is expected to commence by December 31, 2026, with substantial completion by December 31, 2028.

Unit Type	Units	Size (SqFt)
Studio	11	350
Alcove 1 Bed	12	450
1 Bed Large	16	550
2 Bed	44	650
3 Bed	8	1,000
4 Bed	8	1,100
Total	99	

Sources and Uses

The Project would be financed through first mortgage debt, pay-as-you-go TIF, deferred fees, and private equity. The TIF is included in the value of the first mortgage. The Project’s sources and uses are detailed in the table below.

SOURCES			
	Amount	Pct.	Per Unit
First Mortgage	10,052,081	50%	101,536
TIF Note	2,167,000	11%	21,889
Equity	7,950,000	39%	80,303
TOTAL SOURCES	20,169,081	100%	203,728



USES			
	Amount	Pct.	Per Unit
Acquisition Costs	600,000	3%	6,061
Construction Costs	16,625,000	82%	167,929
Contractor Fee	700,000	3%	7,071
Professional Services	300,000	1%	3,030
Financing Costs	680,000	3%	6,869
Developer Fee	1,250,000	6%	12,626
Cash Accounts/Escrows/Reserve	14,081	0%	142
TOTAL USES	20,169,081	100%	203,728

Proforma Review and Assistance Need

The Developer submitted financial information (“proforma”) to the City. Ehlers entered this information into its financial model, evaluated the assumptions against comparable projects and relevant market data, and calculated the TIF the Project is expected to generate using assessor data.

Projects should perform well enough to secure financing and provide a reasonable market return on equity. But, public assistance should not result in above-market profits. Based on the review, the Project will require \$2,167,000 in TIF assistance to perform adequately.

Total Development Cost: Total development costs are estimated at approximately \$20,169,081, or approximately \$203,728 per unit and \$318 per rentable square foot. These costs are within the typical range for comparable multifamily projects reviewed by Ehlers.

Rent, Revenue, and Operating Expenses: The proforma includes both market-rate and affordable rents. Market rents average approximately \$2.51 per square foot, while affordable rents average approximately \$1.62 per square foot. Stabilized residential vacancy is assumed at 5%. Annual operating expenses before taxes, management fees, and replacement reserves are \$3,403 per unit, resulting in an expense ratio of approximately 39.8%. These assumptions are within expected ranges.

Debt and Equity: Equity is the consideration, usually cash, that a Developer or investor provides as a down payment on total development cost. Private equity, deferred fees, deferred profit, and related contributions total approximately \$7,950,000, or 39.4% of total development cost. The proforma reflects an estimated first mortgage value of approximately \$10,052,081 and a TIF Note of \$2,167,000.

Financial Performance

Ehlers reviewed three standard financial performance metrics: Yield on Cost, Cash on Cash, and Internal Rate of Return. Based on Ehlers’ adjusted analysis, stabilized Yield on Cost is approximately 6.5%, average annual Cash on Cash return during the assistance term is approximately 11.3%, and the Year 10 Internal Rate of Return is approximately 10.4%. With the recommended assistance and Ehlers’ proforma adjustments, the Project’s financial performance is acceptable and does not exceed typical return expectations for this type of project.



Summary and Recommendation

Based on the review, the Project would not reasonably be expected to proceed without TIF assistance. Ehlers recommends the following terms be included in a development agreement and TIF Note:

1. **TIF Note Principal:** \$2,167,000, financed at 6.5% or the permanent financing rate, whichever is less.
2. **Term:** Up to 26 years.
3. **Annual Share:** 90% of gross TIF.
4. **Pay-as-you-go:** TIF commitment is payable only from tax increment generated by the Project.
5. **Affordability:** 20% of units, or 20 of 99 units, affordable to households at or below 50% of AMI, with annual compliance certification.
6. **Property Tax Class:** Development restricted from seeking a 4d(1) class rate for affordable units.
7. **Construction Start:** December 31, 2026.
8. **Construction Completion:** December 31, 2028.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Consider the adoption of a resolution finding parcels located at 900 NW 4th Street are occupied by a structurally substandard building.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA previously authorized the inspection of the former Itasca County Farm Co-op building for the purpose of determining if its condition met the statutory requirements to be designated as a TIF redevelopment or renewal and renovation district.

The inspection and the findings of it must be documented prior to the demolition of the structure to preserve the potential for establishment of this type of TIF district, should it be necessary to facility a TBD private redevelopment in the future.

On June 11, LHB Architects completed the inspection and their Analysis Findings, which is attached, has determined that it is structurally substandard as defined in TIF statute.

The attached resolution, which must be adopted by both GREDA and the City, finds that the three parcels identified in the Exhibit, at 900 NW 4th Street are occupied by a structurally substandard building.

RECOMMENDATION:

Review the Analysis Findings

REQUIRED ACTION: Make a motion to adopt a resolution finding parcels located at 900 NW 4th Street are occupied by structurally a substandard building.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**RESOLUTION FINDING PARCELS LOCATED AT 900 NW 4TH
STREET IN THE CITY OF GRAND RAPIDS ARE OCCUPIED BY
STRUCTURALLY SUBSTANDARD BUILDING**

WHEREAS, it has been proposed that the City of Grand Rapids, Minnesota (the “City”) or the Grand Rapids Economic Development Authority (the “Authority”) create one or more tax increment financing districts within the City to be designated as redevelopment districts or renewal and renovation districts as defined in Minnesota Statutes, Section 469.174, subd. 10 and subd. 10a (the “TIF District”); and

WHEREAS, in order to create this type of TIF District, the City and the Authority must make a determination that before the demolition or removal of any substandard building, certain conditions existed; and

WHEREAS, under Minnesota Statutes, Section 469.174, subd. 10(d), the City and the Authority are authorized to deem parcels as occupied by structurally substandard buildings despite prior demolition or removal of the buildings, subject to certain terms and conditions as described in this resolution; and

WHEREAS, in order to deem a parcel as being occupied by a structurally substandard building, the City or the Authority must first pass a resolution before the demolition or removal that the parcel was occupied by one or more structurally substandard buildings and that after demolition and clearance the City or the Authority intended to include the parcel within the proposed tax increment financing district; and

WHEREAS, there exists in the City on the parcels located at 900 NW 4th Street (MN Hwy 2) described in EXHIBIT A attached hereto (the “Parcels”) one structurally substandard building to be demolished or removed (the “Substandard Building Condition”); and

WHEREAS, a parcel is deemed to be occupied by a structurally substandard building if the Substandard Building Condition is met within 3 years of the filing of the request for certification of the parcel as part of the tax increment financing district with the county auditor, and if certain other conditions are met; and

WHEREAS, the Authority intends to cause demolition of the building located on the Parcels, and the City or the Authority may in the future include the Parcels in a redevelopment or renewal and renovation tax increment financing district; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Grand Rapids Economic Development Authority as follows:

1. The Board of Commissioners of the Authority (the “Board”) has received the TIF Analysis Findings for 900 NW 4th Street, dated July 16, 2026 (the “Inspection Report”), from LHB, Inc., finding that, based on an inspection of the building located on the Parcels, such building was determined to be substandard under the definition set forth in the Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”). Based on the Inspection Report and other information available to the Board, the Board finds that the building on the Parcels is structurally substandard to a degree requiring substantial renovation or clearance and at least 15% of the area of each of the Parcels identified on EXHIBIT A attached hereto is occupied within the meaning of Section 469.174, subd. 10 of the TIF Act.

2. After the date of approval of this resolution, the building on the Parcels may be demolished or removed by the City or the Authority, or such demolition or removal may be financed by the City and the Authority, or may be undertaken by a developer under a development agreement with the City or the Authority.

3. The City and the Authority intend to include the Parcels in a TIF District, and to file the request for certification of such district with the Itasca County Auditor/Treasurer (the "County Auditor") within 3 years after the date of demolition of the building on the Parcels.

4. Upon filing the request for certification of a new TIF District, the City or the EDA will notify the County Auditor that the original tax capacity of the Parcels must be adjusted to reflect the greater of (a) the current net tax capacity of the parcel; or (b) the estimated market value of the Parcels for the year in which the building was demolished or removed, but applying class rates for the current year, all in accordance with Section 469.174, subd. 10(d) of the TIF Act.

5. City and Authority staff and consultants are authorized to take any actions necessary to carry out the intent of this resolution.

6. The Authority authorizes expenditure of available tax increments and other available funds to pay the costs of such demolition or removal, in such amounts as determined necessary for such purpose by the City's Finance Director.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this 23rd day of July, 2026.

President

ATTEST:

Secretary

EXHIBIT A

PARCELS

Parcel A: PID 91.420.2610

Parcel B: PID 91.420.2511

Parcel C: PID 91.420.2510

July 16, 2026

Rob Mattei
 Director of Community Development
 City of Grand Rapids
 420 North Pokegama Avenue
 Grand Rapids, MN 55744

TIF ANALYSIS FINDINGS FOR 900 NW 4TH STREET

LHB was hired to inspect one building on three parcels in Grand Rapids, Minnesota, to determine if it meets the definition of "Substandard" as defined by *Minnesota Statutes, Section 469.174, subdivision 10*. The building parcels may potentially be part of a future Redevelopment TIF District, so they will need to be compliant with all the statutes pertaining to a Redevelopment District.

The building is located at 900 NW 4th Street (Parcel A in Diagram 1).

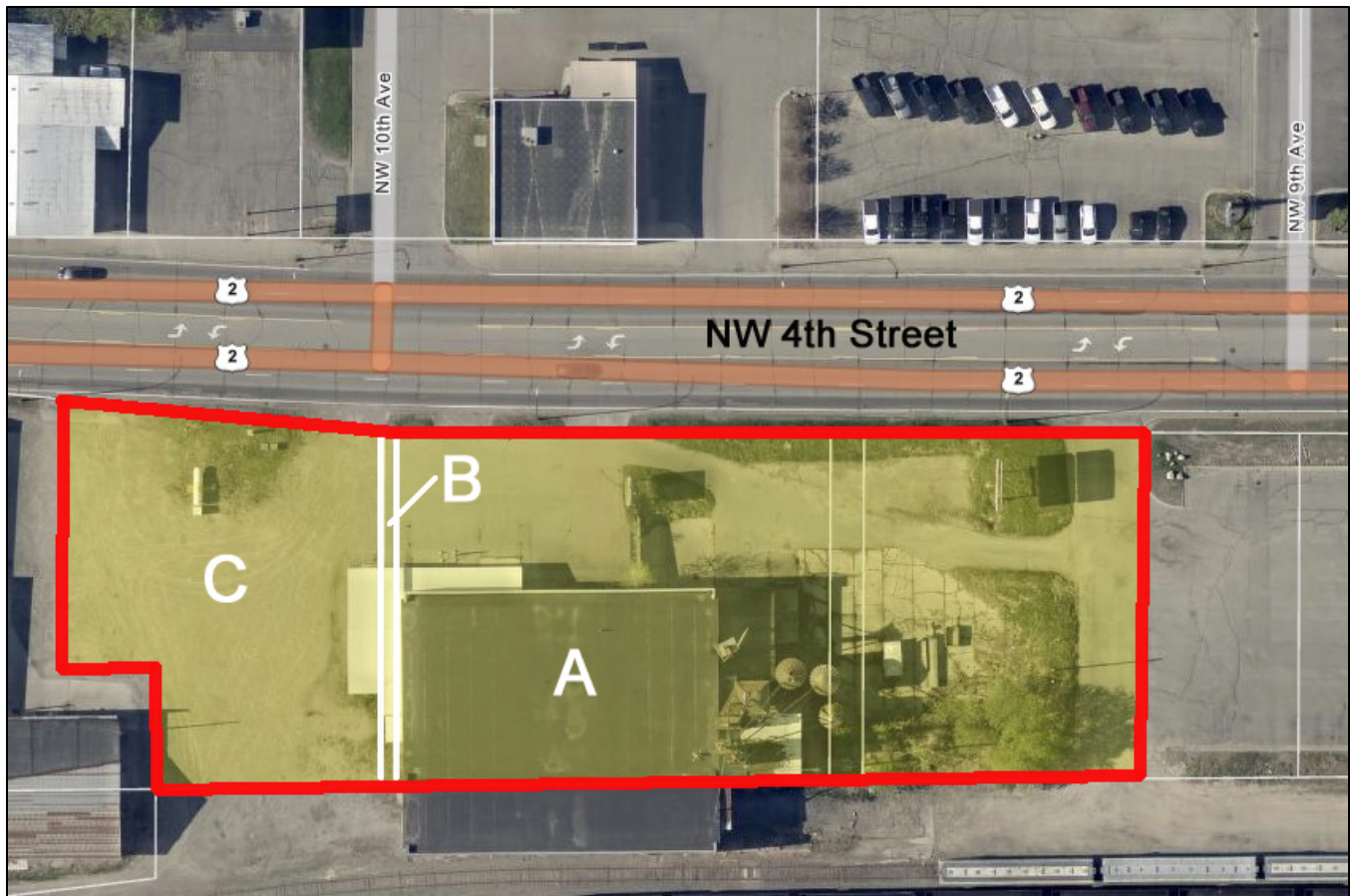


Diagram 1

CONCLUSION

After evaluating the condition of the building on June 12, 2026 and applying current statutory criteria for a Redevelopment District under *Minnesota Statutes, Section 469.174, Subdivision 10*, it is our professional opinion that the building qualifies as substandard.

The remainder of this letter and attachments describe our process and findings in detail.

MINNESOTA STATUTE 469.174, SUBDIVISION 10 REQUIREMENTS

The properties were inspected in accordance with the following requirements under *Minnesota Statutes, Section 469.174, Subdivision 10(c)*, which states:

INTERIOR INSPECTION

"The municipality may not make such determination [that the building is structurally substandard] without an interior inspection of the property..."

EXTERIOR INSPECTION AND OTHER MEANS

"An interior inspection of the property is not required, if the municipality finds that

(1) the municipality or authority is unable to gain access to the property after using its best efforts to obtain permission from the party that owns or controls the property; and

(2) the evidence otherwise supports a reasonable conclusion that the building is structurally substandard."

DOCUMENTATION

"Written documentation of the findings and reasons why an interior inspection was not conducted must be made and retained under section 469.175, subdivision 3, clause (1)."

QUALIFICATION REQUIREMENTS

Minnesota Statutes, Section 469.174, Subdivision 10 (a) (1) requires two tests for occupied parcels:

1. Coverage Test

"...parcels consisting of 70 percent of the area of the district are occupied by buildings, streets, utilities, or paved or gravel parking lots..."

The coverage required by the parcel to be considered occupied is defined under *Minnesota Statutes, Section 469.174, Subdivision 10(e)*, which states:

"For purposes of this subdivision, a parcel is not occupied by buildings, streets, utilities, paved or gravel parking lots, or other similar structures unless 15 percent of the area of the parcel contains buildings, streets, utilities, paved or gravel parking lots, or other similar structures."

The LHB team reviewed the following parcels:

Parcel A - ID Number 91.420.2610

- The parcel is approximately 46,192 sf (including a portion of City ROW) and is 96 percent covered by buildings, parking lots or other improvements.

Parcel B - ID Number 91.420.2511

- The parcel is approximately 745 sf and is 100 percent covered by buildings, parking lots or other improvements.

Parcel C - ID Number 91.420.2510

- The parcel is approximately 19,171 sf and is 100 percent covered by buildings, parking lots or other improvements.

Findings

Three out of three parcels are covered by buildings, parking lots or other improvements, exceeding the 15 percent parcel requirement.

2. Condition of Buildings Test

Minnesota Statutes, Section 469.174, Subdivision 10(a) states:

"...and more than 50 percent of the buildings, not including outbuildings, are structurally substandard to a degree requiring substantial renovation or clearance;"

Structurally substandard is defined under Minnesota Statutes, Section 469.174, Subdivision 10(b), which states:

"For purposes of this subdivision, 'structurally substandard' shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance."

We do not count energy code deficiencies toward the thresholds required by *Minnesota Statutes, Section 469.174, Subdivision 10(b)*) defined as "structurally substandard", due to concerns expressed by the State of Minnesota Court of Appeals in the *Walser Auto Sales, Inc. vs. City of Richfield* case filed November 13, 2001.

Findings

The building exceeds the criteria required to be determined a substandard building (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

Buildings are not eligible to be considered structurally substandard unless they meet certain additional criteria, as set forth in *Subdivision 10(c)* which states:

"A building is not structurally substandard if it follows the building code applicable to new buildings or could be modified to satisfy the building code at a cost of less than 15 percent of the cost of constructing a new structure of the same square footage and type on the site. The municipality may find that a building is not disqualified as structurally substandard under the preceding sentence based on reasonably available evidence, such as the size, type, and age of the building, the average cost of plumbing, electrical, or structural repairs, or other similar reliable evidence."

"Items of evidence that support such a conclusion [that the building is not disqualified] include recent fire or police inspections, on-site property tax appraisals or housing inspections, exterior evidence of deterioration, or other similar reliable evidence."

LHB counts energy code deficiencies toward the 15 percent code threshold required by *Minnesota Statutes, Section 469.174, Subdivision 10(c)* for the following reasons:

- The Minnesota energy code is one of ten building code areas highlighted by the Minnesota Department of Labor and Industry website where minimum construction standards are required by law.
- Chapter 13 of the *2015 Minnesota Building Code* states, "Buildings shall be designed and constructed in accordance with the International Energy Conservation Code." Furthermore, *Minnesota Rules, Chapter 1305.0021 Subpart 9* states, "References to the International Energy Conservation Code in this code mean the Minnesota Energy Code..."
- Chapter 11 of the *2015 Minnesota Residential Code* incorporates *Minnesota Rules, Chapters, 1322 and 1323 Minnesota Energy Code*.
- The Senior Building Code Representative for the Construction Codes and Licensing Division of the Minnesota Department of Labor and Industry confirmed that the Minnesota Energy Code is being enforced throughout the State of Minnesota.
- In a January 2002 report to the Minnesota Legislature, the Management Analysis Division of the Minnesota Department of Administration confirmed that the construction cost of new buildings complying with the Minnesota Energy Code is higher than buildings built prior to the enactment of the code.

Proper TIF analysis requires a comparison between the replacement value of a new building built under current code standards with the repairs that would be necessary to bring the existing building up to current code standards. For an equal comparison to be made, all applicable code chapters should be applied to both scenarios. Since current construction estimating software automatically applies the construction cost of complying with the Minnesota Energy Code, energy code deficiencies should also be identified in the existing structures.

Findings

The building has code deficiencies exceeding the 15 percent building code deficiency criteria required to be determined substandard (see the attached Building Code, Condition Deficiency and Context Analysis Reports).

TEAM CREDENTIALS

MICHAEL A. FISCHER, AIA, LEED AP - PROJECT PRINCIPAL / TIF ANALYST

Michael has 39 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial, and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 140 cities with strategic planning for TIF Districts. He is an Architectural Principal and Vice President at LHB.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning master's degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards, and community task forces, including City Council President in Superior, Wisconsin, Chair of the Duluth/Superior Metropolitan Planning Organization, and Chair of the Edina, Minnesota Planning Commission. Most recently, he served as a member of the Edina city council and Secretary of the Edina HRA. Michael has also managed and designed several award-winning architectural projects and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

PHIL FISHER – INSPECTOR

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

ATTACHMENTS

We have attached a Building Code, Condition Deficiency and Context Analysis Report, Replacement Cost Report, Code Deficiency Report, and thumbnail photo sheets of the building.

Please contact me at (612) 752-6920 if you have any questions.

LHB, INC.



MICHAEL A. FISCHER, AIA, LEED AP

c: LHB Project No.260330.00

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900 NW 4th Street Redevelopment TIF District

Building Code, Condition Deficiency and Context Analysis Report

Parcel A

Former Co-Op

Address:	900 Northwest 4 th Street, Grand Rapids, Minnesota. 55744
Parcel ID:	91-420-2610
Inspection Date(s) & Time(s):	June 12, 2026, 10:30 am
Inspection Type:	Interior and Exterior
Summary of Deficiencies:	It is our professional opinion that this building is Substandard because: - Substantial renovation is required to correct Conditions found. - Building Code deficiencies total more than 15% of replacement cost, NOT including energy code deficiencies.

Estimated Replacement Cost:	\$2,800,417
Estimated Cost to Correct Building Code Deficiencies:	\$970,504
Percentage of Replacement Cost for Building Code Deficiencies:	34.7%

DEFECTS IN STRUCTURAL ELEMENTS

1. Exterior concrete block walls are showing signs of differential settlement which should be corrected per code.
2. Steel columns should be protected from rusting per code.

COMBINATION OF DEFICIENCIES

1. Essential Utilities and Facilities
 - a. There is no code required accessible parking.
 - b. Transaction counters do not comply with accessibility code.
 - c. There is no code required drinking fountain.
 - d. Install a code required accessible restroom.
2. Light and Ventilation
 - a. The electrical system does not comply with code.
 - b. The lighting system does not comply with code.
 - c. The mechanical systems do not comply with code.
3. Fire Protection/Adequate Egress
 - a. Sidewalks are damaged, creating an impediment to emergency egress which is contrary to code.
 - b. Thresholds do not comply with code for maximum height.
 - c. Flooring materials are damaged, creating an impediment to emergency egress which is contrary to code.
 - d. Door hardware does not comply with code.
 - e. Stairs do not comply with code.

- f. Damaged/missing ceilings should be replaced to comply with code.
 - g. There are no code required smoke detectors.
 - h. Code-compliant emergency exit signs should be installed.
 - i. Code-compliant emergency lighting should be installed.
 - j. A code required emergency notification system should be installed.
 - k. A code required building fire suppression system should be installed.
4. Layout and Condition of Interior Partitions/Materials
- a. Graffiti should be removed from the interior walls.
 - b. Interior walls should be repaired and repainted.
 - c. Mold is present throughout the building.
5. Exterior Construction
- a. Exterior concrete block walls are damaged/missing, allowing for water intrusion which is contrary to code.
 - b. Exterior graffiti should be removed to comply with city code.
 - c. The loading dock is deteriorating and should be repaired.
 - d. Failed roofing materials should be replaced to prevent water intrusion which is contrary to code.

DESCRIPTION OF CODE DEFICIENCIES

1. Correct differential settlement, per code which is noticeable by cracked linear mortar joints on southeast corner.
2. Protect steel columns from rusting per code.
3. Create a code required accessible parking area.
4. Modify transaction counters to comply with code.
5. Install a code required drinking fountain.
6. Install a code compliant accessible restroom.
7. Modify electrical wiring to comply with code.
8. Install a code compliant lighting system.
9. Install code compliant mechanical systems.
10. Repair damaged sidewalks to comply with code for an unimpeded means for emergency egress.
11. Modify thresholds to comply with code for maximum height.
12. Repair damaged flooring to create a code required unimpeded means for emergency egress.
13. Install code compliant door hardware.
14. Modify stairs to comply with code.
15. Replace missing ceiling tile to comply with code.
16. Install code required smoke detectors.
17. Install code compliant emergency exit signs.
18. Install code compliant emergency lighting.
19. Install a code required emergency notification system.
20. Install a code required building fire suppression system.
21. Repair damaged/cracked block and mortar to prevent water intrusion per code.

- 22. Remove graffiti to comply with city code.
- 23. Replace failed roofing materials to prevent water intrusion per code.

OVERVIEW OF DEFICIENCIES

The building exhibits a broad combination of code issues including structural, accessibility, life-safety, interior, exterior, and building-system deficiencies. Exterior concrete block walls show signs of differential settlement and damaged or missing block and mortar, and steel columns require protection from rusting as required by code. Accessibility deficiencies include the absence of code-required accessible parking, non-compliant transaction counters, and the need for an accessible restroom. Building systems, including electrical, lighting, and mechanical systems, do not comply with code. Several conditions impede safe emergency egress, including damaged sidewalks, excessive threshold heights, damaged flooring, noncompliant door hardware, noncompliant stairs, and damaged or missing ceilings, all required by code. The building also lacks code required smoke detectors, emergency exit signs, emergency lighting, an emergency notification system, and a fire suppression system. Interior conditions include graffiti, walls in need of repair and repainting, and mold throughout the building. Exterior code deficiencies include exterior graffiti, a deteriorating loading dock, and failed roofing materials, all of which should be corrected to prevent continued deterioration and water intrusion.

ENERGY CODE DEFICIENCIES

In addition to the building code deficiencies listed above, the existing building does not comply with the current energy code. These deficiencies are not included in the estimated costs to correct code deficiencies and are not considered in determining whether the building is substandard.

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900 NW 4th Street Redevelopment TIF District

Replacement Cost Report

RSMeans data from GBORDIAN	Square Foot Cost Estimate Report	Date:	6/16/2026
Estimate Name:	900 NW 4th St		
Building Type:	Concrete Block / Wood Joists		
Location:	GRAND RAPIDS, MN		
Story Count:	2		
Story Height (L.F.):	14.00		
Floor Area (S.F.):	18900		
Labor Type:	OPN		
Basement Included:	No		
Data Release:	Year 2026 Quarter 2		
Cost Per Square Foot:	\$148.17		
Building Cost:	\$2,800,417.33		

Costs are derived from a building model with basic components.
Scope differences and market conditions can cause costs to vary significantly.

		Quantity	% of Total	Cost Per S.F.	Cost
A	Substructure		6.60%	\$8.50	\$160,704.78
A1010	Standard Foundations			\$5.03	\$95,012.25
A10101051520	Foundation wall, CIP, 4' wall height, direct chute, .099 CY/LF, 4.8 PLF, 8" thick	624		\$2.82	\$53,292.41
A10101102700	Strip footing, concrete, reinforced, load 11.1 KLF, soil bearing capacity 6 KSF, 12" deep x 24" wide	624		\$1.76	\$33,296.33
A10102107200	Spread footings, 3000 PSI concrete, load 50K, soil bearing capacity 6 KSF, 3' - 0" square x 12" deep	28.35		\$0.34	\$6,401.29
A10102107300	Spread footings, 3000 PSI concrete, load 75K, soil bearing capacity 6 KSF, 4' - 0" square x 12" deep	5.67		\$0.11	\$2,022.22
A1030	Slab on Grade			\$3.35	\$63,395.23
A10301202240	Slab on grade, 4" thick, non industrial, reinforced	9450		\$3.35	\$63,395.23
A2010	Basement Excavation			\$0.12	\$2,297.30
A20101105740	Excavate and fill, 30,000 SF, 4' deep, sand, gravel, or common earth, on site storage	9450		\$0.12	\$2,297.30
B	Shell		28.37%	\$36.55	\$690,825.92
B1010	Floor Construction			\$0.03	\$595.35
B10102102250	Wood column, 6" x 6", 15' x 15' bay, 10' unsupported height, 133 BF/MSF, 140 PSF total allowable load	850.5		\$0.03	\$595.35
B1020	Roof Construction			\$11.28	\$213,102.13
B10201024500	Wood roof, flat rafter, 2" x 14", 12" O.C.	9450		\$7.45	\$140,805.00
B10207703152	Roof deck, douglas fir, 3" thick, 8' span	9733.5		\$3.83	\$72,297.13
B2010	Exterior Walls			\$18.57	\$351,041.42
B20101115430	Concrete block (CMU) wall, regular weight, hollow, 8 x 8 x 16, 2000 PSI, reinforced, vertical #5@32", grouted	15724.8		\$13.31	\$251,561.42
B20101463000	Metal siding, steel, corrugated or ribbed, 29 ga, .0135" thick galvanized	12000		\$5.26	\$99,480.00
B2030	Exterior Doors			\$0.49	\$9,207.30
B20302102900	Door, wood, overhead, panels, heavy duty, manual operation, 10'-0" x 10'-0" opening	1.89		\$0.26	\$4,831.77
B20302204400	Door, steel 24 gauge, overhead, sectional, manual operation, 10'-0" x 10'-0" opening	0.94		\$0.23	\$4,375.53
B3010	Roof Coverings			\$6.18	\$116,879.72
B30101200300	Drip edge, aluminum .016" thick, 5" girth, mill finish	9450		\$0.04	\$712.25
B30101401850	Metal roofing, steel, colors, 3" min slope, 26 gauge, 1.0 PSF	9733.5		\$4.00	\$75,531.96
B30103201750	Insulation, rigid, roof deck, polyisocyanurate, 2#/CF, 3.5" thick	9733.5		\$2.15	\$40,635.51
C	Interiors		23.59%	\$30.39	\$574,415.38
C1010	Partitions			\$2.40	\$45,358.94
C10101045500	Concrete block (CMU) partition, light weight, hollow, 6" thick, no finish	3780		\$2.40	\$45,358.94
C1020	Interior Doors			\$3.03	\$57,282.69
C10201022600	Door, single leaf, kd steel frame, hollow metal, commercial quality, flush, 3'-0" x 7'-0" x 1-3/8"	37.8		\$3.03	\$57,282.69
C1030	Fittings			\$0.54	\$10,192.40
C10301100460	Toilet partitions, cubicles, ceiling hung, stainless steel	4		\$0.54	\$10,192.40

C3010	Wall Finishes			\$4.75	\$89,775.87
C30102202000	2 coats paint on masonry with block filler	15724.8		\$4.22	\$79,784.65
C30102300320	Painting, masonry or concrete, latex, brushwork, primer & 2 coats	3780		\$0.53	\$9,991.22
C3020	Floor Finishes			\$16.66	\$314,952.47
C30204102140	Maple strip, sanded and finished, maximum	17010		\$11.31	\$213,745.96
C30204102260	Add for sleepers on concrete, treated, 24" OC, 1"x2"	17010		\$5.24	\$98,980.51
C30204109200	Vinyl, composition tile, 12" x 12" x 1/8" thick, recycled content	600		\$0.12	\$2,226.00
C3030	Ceiling Finishes			\$3.01	\$56,853.01
C30302107400	Acoustic ceilings, 3/4" mineral fiber, 12" x 12" tile, concealed 2" bar & channel grid, suspended support	2835		\$3.01	\$56,853.01
D	Services		41.44%	\$53.40	\$1,009,199.42
D2010	Plumbing Fixtures			\$6.96	\$131,489.02
D20101102080	Water closet, vitreous china, bowl only with flush valve, wall hung	25.7		\$4.21	\$79,526.89
D20102102000	Urinal, vitreous china, wall hung	3.21		\$0.35	\$6,649.46
D20103102080	Lavatory w/trim, wall hung, PE on CI, 19" x 17"	9.64		\$0.98	\$18,494.16
D20104404340	Service sink w/trim, PE on CI, wall hung w/rim guard, 24" x 20"	1.61		\$0.60	\$11,420.85
D20108201880	Water cooler, electric, wall hung, dual height, 14.3 GPH	3.21		\$0.81	\$15,397.66
D2020	Domestic Water Distribution			\$7.93	\$149,925.49
D20202502260	Gas fired water heater, commercial, 100< F rise, 600 MBH input, 576 GPH	3.21		\$7.93	\$149,925.49
D3050	Terminal & Package Units			\$14.58	\$275,614.92
D30501501760	Rooftop, single zone, air conditioner, banks or libraries, 10,000 SF, 41.67 ton	18900		\$14.58	\$275,614.92
D4010	Sprinklers			\$4.29	\$81,155.47
D40104100620	Wet pipe sprinkler systems, steel, light hazard, 1 floor, 10,000 SF	18900		\$4.29	\$81,155.47
D4020	Standpipes			\$1.74	\$32,907.74
D40203101580	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, 1 floor	0.94		\$1.25	\$23,640.12
D40203101600	Wet standpipe risers, class III, steel, black, sch 40, 6" diam pipe, additional floors	1.42		\$0.49	\$9,267.62
D5010	Electrical Service/Distribution			\$1.61	\$30,414.03
D50101200320	Overhead service installation, includes breakers, metering, 20' conduit & wire, 3 phase, 4 wire, 120/208 V, 400 A	1		\$0.41	\$7,800.30
D50102300320	Feeder installation 600 V, including RGS conduit and XHHW wire, 400 A	50		\$0.34	\$6,505.58
D50102400200	Switchgear installation, incl switchboard, panels & circuit breaker, 120/208 V, 3 phase, 400 A	1		\$0.85	\$16,108.15
D5020	Lighting and Branch Wiring			\$12.59	\$237,888.40
D50201100440	Receptacles incl plate, box, conduit, wire, 8 per 1000 SF, .9 watts per SF	18900		\$3.28	\$62,070.44
D50201300200	Wall switches, 1.0 per 1000 SF	18900		\$0.35	\$6,532.60
D50201350280	Miscellaneous power, 1 watt	20790		\$0.38	\$7,174.01
D50201400280	Central air conditioning power, 4 watts	18900		\$0.79	\$14,871.84
D50202100520	Fluorescent fixtures recess mounted in ceiling, 1.6 watt per SF, 40 FC, 10 fixtures @32watt per 1000 SF	18900		\$7.79	\$147,239.51
D5030	Communications and Security			\$3.69	\$69,804.35
D50309100220	Communication and alarm systems, includes outlets, boxes, conduit and wire, sound systems, 12 outlets	1.12		\$1.59	\$30,126.99
D50309100452	Communication and alarm systems, fire detection, addressable, 25 detectors, includes outlets, boxes, conduit and wire	0.94		\$1.24	\$23,508.86
D50309100462	Fire alarm command center, addressable with voice, excl.wire & conduit	1		\$0.86	\$16,168.50
E	Equipment & Furnishings		0.00%	\$0.00	\$0.00
E1090	Other Equipment			\$0.00	\$0.00
F	Special Construction		0.00%	\$0.00	\$0.00
G	Building Sitework		0.00%	\$0.00	\$0.00
SubTotal			100%	\$128.84	\$2,435,145.50
Contractor Fees (General Conditions,Overhead,Profit)			15.0%	\$19.33	\$365,271.83
Architectural Fees			0.0%	\$0.00	\$0.00
User Fees			0.0%	\$0.00	\$0.00
Total Building Cost				\$148.17	\$2,800,417.33

900 NW 4th Street Redevelopment TIF District

Code Deficiency Cost Report

Parcel A - 900 Northwest 4th Street, Grand Rapids, Minnesota 55744

Parcel ID 91-420-2610

Building Name or Type

Former Co-Op

Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
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Accessibility Items

Parking

Create a code required accessible parking area	\$ 100.00	Lump	1	\$ 100.00
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Transaction Counter

Modify transaction counters to comply with accessibility code	\$1,500.00	Lump	1	\$ 1,500.00
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Restrooms

Modify restrooms to comply with code	\$ 5.54	SF	18,900	\$ 104,706.00
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Drinking Fountain

Install a code required drinking fountain	\$ 0.81	SF	18,900	\$ 15,309.00
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Structural Elements

Differential Settlement

Correct differential settlement issue to comply with code	\$5,000.00	Lump	1	\$ 5,000.00
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Steel Columns

Protect steel columns from rusting per code	\$1,000.00	Lump	1	\$ 1,000.00
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Exiting

Sidewalks

Repair damaged sidewalks to create a code required unimpeded means for emergency egress	\$ 3.35	SF	1,000	\$ 3,350.00
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Thresholds

Modify thresholds to comply with code for maximum height	\$ 500.00	Lump	1	\$ 500.00
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Flooring Materials

Repair damaged flooring materials to create a code required unimpeded means for emergency egress	\$ 1.50	SF	8,000	\$ 12,000.00
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Door Hardware

Install code compliant door hardware	\$1,500.00	Lump	1	\$ 1,500.00
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Stairs

Modify stairs to comply with code	\$5,000.00	Lump	1	\$ 5,000.00
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Emergency Exit Signs

Install code compliant emergency exit signs	\$ 0.35	SF	18,900	\$ 6,615.00
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Emergency Lighting System

Install a code compliant emergency lighting system	\$ 0.75	SF	18,900	\$ 14,175.00
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Emergency Notification System

Install a code compliant emergency notification system	\$ 0.86	SF	18,900	\$ 16,254.00
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Code	Related Cost Items	Unit Cost	Units	Unit Quantity	Total
Fire Protection					
	Ceiling Tile	\$ 3.01	SF	8,000	\$ 24,080.00
	Replace missing/damaged ceiling tile to comply with code				
	Smoke Detectors	\$ 1.59	SF	18,900	\$ 30,051.00
	Install code required smoke detectors				
	Building Fire Suppression System	\$ 6.03	SF	18,900	\$ 113,967.00
	Install a code required building fire suppression system				
Exterior Construction					
	Exterior Concrete Block Walls	\$ 13.31	SF	1,000	\$ 13,310.00
	Repair damaged concrete block walls to prevent water intrusion per code				
	Graffiti	\$ 500.00	Lump	1	\$ 500.00
	Remove graffiti per city code				
Roof Construction					
	Roofing Materials	\$ 6.18	SF	18,900	\$ 116,802.00
	Replace failed roofing materials to prevent water intrusion per code				
Mechanical - Electrical					
	Mechanical	\$ 14.58	SF	18,900	\$ 275,562.00
	Modify mechanical systems to comply with code				
	Electrical	\$ 3.28	SF	18,900	\$ 61,992.00
	Install a code compliant wiring system	\$ 7.79	SF	18,900	\$ 147,231.00
	Install a code compliant lighting system				
Total Code Improvements					\$ 970,504

900 NW 4th Street Redevelopment TIF District | Parcel A



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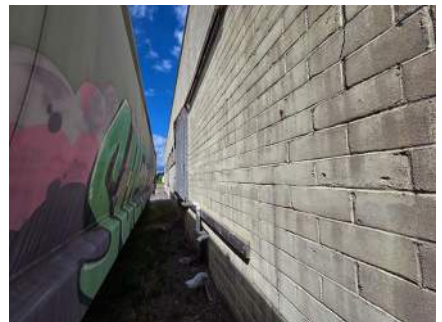
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900 NW 4th Street Redevelopment TIF District | Parcel A



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900 NW 4th Street Redevelopment TIF District | Parcel A



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900 NW 4th Street Redevelopment TIF District | Parcel A



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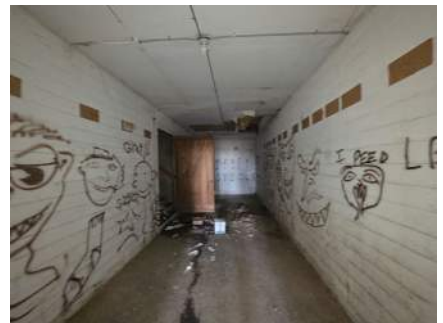
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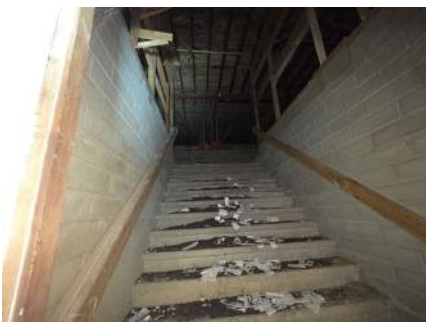
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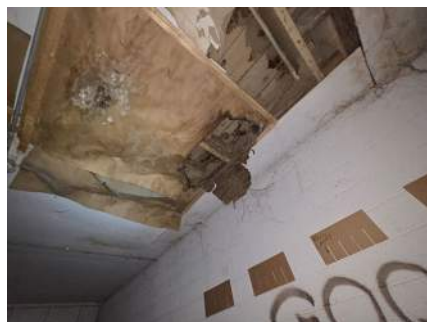
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900 NW 4th Street Redevelopment TIF District | Parcel A



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900 NW 4th Street Redevelopment TIF District | Parcel A



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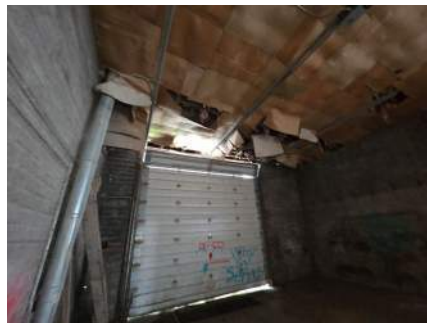
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900 NW 4th Street Redevelopment TIF District | Parcel A



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REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Consider authorizing a solicitation requesting quotations for the removal of fertilizers and related, residual, stored products at 900 NW 4th St.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

As we discussed at the previous GREDA meeting, the Minnesota Department of Agriculture recently conducted a site visit at the former Itasca County Farm Co-op building to determine what additional testing is required to determine the extent of contamination caused by the storage of fertilizers and other agricultural products and materials.

At the previous meeting, GREDA approved a proposal from Braun Intertec for the performance of the MDA's required testing, the plan for which has been submitted to MDA for approval.

Prior to the subsurface sampling/testing, MDA has required that the materials be removed and properly disposed of. This is work that was originally thought could be part of the demolition contract.

Staff is asking for GREDA authorization to request quotations for this removal and disposal.

RECOMMENDATION:

REQUIRED ACTION: Make a motion to authorize a solicitation requesting quotations for the removal of fertilizers and related, residual, stored products at 900 NW 4th St.

Requirements for Building Cleanout

Item 5.

Itasca Farm Services Co-op

900 Northwest 4th Street

Grand Rapids, MN 55744

Project 10004216_001

1. Remove fertilizer and related solid products stored in bulk and consumer sized bags, plastic containers, buckets and other containers. An inventory of items to be removed is provided below. This list may not be all inclusive, other agricultural products should be removed. Consolidate solid wastes in one or more roll-off dumpsters to be provided by General Waste.
2. Consolidate Liquid Waste (drums and smaller containers) in a central location on a pallet for later disposal by others.
3. Remove residual products from floors and other areas of significant accumulation (rafters and walls, etc.)
4. Mechanically or manually sweep floor surfaces to remove remaining products.
5. Dispose of removed products at General Waste. Waste profile has been submitted to General Waste and approval is pending.
6. Contractor responsible for respiratory requirements and safe work practices.
7. Inspection will be provided by Braun Intertec Corporation (Braun Intertec) at completion.

Facility Agricultural Product Inventory

Braun Intertec completed a walkthrough of the Site on April 14, 2026. Braun Intertec identified agricultural products left in the vacant building that may need to be removed and properly disposed of prior to demolition.

Product	Unit	Quantity	Location
Fertilizer	One-ton bulk bags	8	1F Hay Loft
Misc. Feed	50lb bags	10	1F Seed Bag Fill Area
Kelp Meal	50lb bags	6	1F Seed Bag Fill Area
Tasco	50lb bags	5	1F Seed Bag Fill Area
Fish Meal	50lb bags	6	1F Seed Bag Fill Area
Magnesium Oxide	20-gal tote	1	1F Seed Bag Fill Area
Bufferum	20-gal tote	1	1F Seed Bag Fill Area
Vitamin A	20-gal tote	1	1F Seed Bag Fill Area
Vitamin D	20-gal tote	1	1F Seed Bag Fill Area
Salt	20-gal tote	1	1F Seed Bag Fill Area
Blended Fertilizer	Approximate lbs	3000	West Basement
Unidentified Fertilizer	Approximate lbs	7000	West Basement
Unidentified Fertilizer	Approximate tons	25	Southwest Basement
Unidentified Substance	Plastic 55-gal drum	5	North Basement

Product	Unit	Quantity	Location
Unidentified Feed, Bird Seed, Magnesium Oxide	Approximate lbs	1000	North Basement
Dry Fertilizer	Approximate lbs	500	North Basement
Unidentified Fertilizer	One-ton bulk bags	3	North Basement
Fertilizer Additive	5-gal tote	5	North Basement
Unidentified Substance	Steel 55-gal drum	3	North Basement

Attachments:
MDA Fact Sheet
Interior Photos

www.mda.state.mn.us/incidentresponse

Dry Fertilizer Building Maintenance and Abandonment Fact Sheet

The Minnesota Department of Agriculture (MDA) prepared this fact sheet to provide information and assistance to operators of dry fertilizer storage and/or handling facilities. The department has found that many dry fertilizer buildings have cracked floors and in some cases, damaged walls, which may allow fertilizer to be released from the building or contaminate soil beneath the building at levels requiring corrective action. MDA staff has also found unused dry fertilizer buildings which have not been cleaned after abandonment. This can result in release of fertilizer to the environment.

Building Maintenance and Incident Prevention: A fertilizer building, including the walls and floors, is considered the primary containment for the agricultural chemicals, usually dry fertilizer, in the building. As long as fertilizer is stored in the building, the building must be maintained to prevent the escape of fertilizer to the environment. Building maintenance includes but is not limited to making repairs to damaged walls and sealing cracks in the flooring (see the MDA Concrete Containment - Crack Repair and Maintenance fact sheet (http://www.mda.state.mn.us/sites/default/files/inline-files/concrete_containment_0.pdf)). For questions regarding maintenance and repair, contact Greg Harding of the MDA Pesticide and Fertilizer Management Division at 651-201-6274.

Discontinuing Use of Dry Fertilizer Buildings: Fertilizer left in an abandoned fertilizer storage building and any incident (see MN Statute 18D01.Subd.6) involving the release of the remaining fertilizer to the environment are the responsibilities of the fertilizer owner at the time the building is taken out of service. Transferring ownership of the building, unless the new owner stores and/or handles dry fertilizer in the building, does not necessarily transfer responsibility of past incidents to the new owner. Therefore, MDA recommends that fertilizer buildings be cleaned out at the time fertilizer storage is discontinued.

Cleaning Out Dry Fertilizer Buildings: Properly cleaning out a fertilizer building includes but is not limited to removal of all the fertilizer on the floor, on top of the rafters and inside of wall cavities. Interior walls may need to be removed to get the fertilizer completely cleaned out of the wall cavities and rafters. Use and/or disposal of any fertilizer removed from the building must be done in accordance with state and local regulations.

Conversion of Dry Fertilizer Buildings to Other Uses: A dry fertilizer building must be completely cleaned before it is converted to another use. Please note that it can be problematic if the other uses include bringing metal objects into the building because the metal objects may start to rust very soon after being placed in the building.

Tearing Down or Destroying Dry Fertilizer Buildings: Prior to the destruction and removal of a dry fertilizer building, you must ensure that the building has been completely cleaned. After the building has been cleaned, options available for removal or destruction of the structure may include hauling the building debris to a landfill or reuse of building materials. For landfill disposal, contact the landfill to which you intend to haul the debris for information regarding disposal requirements. Additionally, if the floor is cracked, you will need to determine if there is contamination beneath the floor. This typically requires soil sampling through the cracks or soil sampling after the floor has been removed. For additional information regarding investigations beneath the floor and in handling areas around the building, contact Greg Hanson, MDA Incident Response Unit Project Manager, at 651-201-6681.



Photograph 27	Date: April 14 th , 2026
Direction:	East
Subject:	Interior storage area and drive-through loading and unloading area in the southern portion of the Site building. Eight one-ton bulk bags of fertilizer in the southeast portion of the Site building.



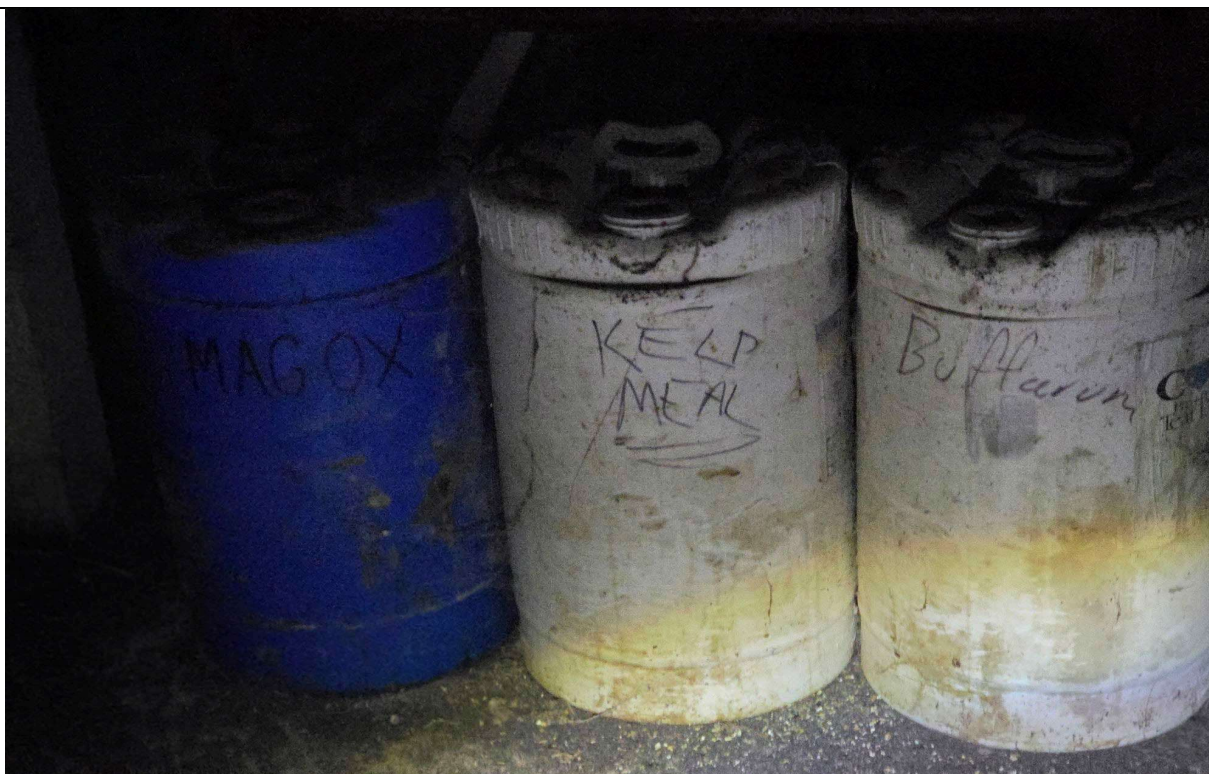
Photograph 28	Date: April 14 th , 2026
Direction:	South
Subject:	Contents of one-ton bulk bags in the southeast portion of the Site building.



Photograph 29	Date: April 14 th , 2026
Direction:	South
Subject:	Five one-ton bulk bags of fertilizer in the southeast portion of the Site building.



Photograph 30	Date: April 14 th , 2026
Direction:	Southwest
Subject:	Seed bag filling area in the eastern portion of the Site building, fed from the grain silos east of the Site building. Staining and various empty bags present.



Photograph 31	Date: April 14 th , 2026
Direction:	South
Subject:	Various additives in the seed bag filling area. Magnesium oxide, Kelp meal, and Bufferum pictured.



Photograph 32	Date: April 14 th , 2026
Direction:	Northeast
Subject:	Five 50-pound bags of dried kelp and five 50-pound bags of Tasco in the seed bag filling area.



Photograph 33	Date: April 14 th , 2026
Direction:	North
Subject:	Approximately 5000lbs of unidentified fertilizer in the northwest portion of the Site building's basement bulk storage area.



Photograph 34	Date: April 14 th , 2026
Direction:	West
Subject:	Approximately 1000lbs of Magnesium oxide, bone meal, and bird seed in the northern portion of the Site building's basement bulk storage area.



Photograph 35	Date: April 14 th , 2026
Direction:	North
Subject:	Approximately 500lbs of unidentified dry fertilizer in the northwest portion of the Site building's basement bulk storage area.



Photograph 36	Date: April 14 th , 2026
Direction:	North
Subject:	Approximately 5000lbs of unidentified fertilizer and 5 drums half full of unidentified liquid in the northern portion of the Site building's basement bulk storage area.



Photograph 37	Date: April 14 th , 2026
Direction:	East
Subject:	Dirt floor area with an estimated 20-tons of unidentified fertilizer in the southwest portion of the Site building's basement bulk storage area.



Photograph 38	Date: April 14 th , 2026
Direction:	South
Subject:	Dirt floor area with an estimated 20-tons of unidentified fertilizer in the southwest portion of the Site building's basement bulk storage area.



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Consider entering into a professional services agreement with Lane Design Group for the preparation of a Downtown Pedestrian Wayfinding Plan.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

As we've discussed, the Grand Rapids Downtown Plan addresses public realm and streetscape strategies. These recommendations are key elements to improve the public right of way in a manner that solidifies and enhances placemaking and identity in the Downtown. These are the elements that are first seen or recognized by visitors and travelers and help them navigate around the Downtown.

A specific action that is recommended in the Downtown Plan and which is also incorporated into GREDA's grant from the Blandin Foundation, involves the planning, design and installation of a pedestrian wayfinding in the Downtown.

GREDA staff, working with the Grand Rapids Downtown Alliance have selected the firm of Lane Design Group of Mahtomedi, MN to prepare a plan and design for pedestrian wayfinding. Lane Design has a significant depth of experience in this unique niche design area.

The attached professional services agreement details the agreed upon scope of work to be provided for a not to exceed fee of \$51,840. This cost is well within our budgeted cost for this service, within the Blandin Foundation grant.

RECOMMENDATION:

Review the professional services agreement with Lane Design Group for the preparation of a Downtown Pedestrian Wayfinding Plan.

REQUIRED ACTION: Make a motion to enter into a professional services agreement with Lane Design Group for the preparation of a Downtown Pedestrian Wayfinding Plan. professional services agreement with Lane Design Group for the preparation of a Downtown Pedestrian Wayfinding Plan.



STANDARD AGREEMENT FOR PROFESSIONAL SERVICES

THIS AGREEMENT ("Agreement") is made this 23rd day of July, 2026, between the Grand Rapids Economic Development Authority ("GREDA"), whose business address is 420 North Pokegama Avenue, Grand Rapids, MN 55744 and Lane Design Group ("Consultant") whose business address is 135 Lost Lake Court, Mahtomedi, MN 55155-1866.

PRELIMINARY STATEMENT

GREDA has adopted a policy regarding the selection and hiring of consultants to provide a variety of professional services for GREDA projects. That policy requires that persons, firms, or corporations providing such services enter into written agreements with GREDA. The purpose of this agreement is to set forth the terms and conditions for the professional services Consultant will provide in connection with Downtown Grand Rapids Wayfinding Plan and Design, herein referred to as the "Work".

GREDA and Consultant agree as follows:

1. **Work.** The Consultant agrees to provide the professional services described in Exhibit "A" attached hereto (the "Work").
2. **Time for Performance of Services.** The Consultant shall perform the services described in Exhibit A according to the schedule also included within Exhibit A, hereto.
3. **Compensation for Services.** GREDA agrees to pay the Consultant an hourly not to exceed amount of \$51,840.00 for the Work. Any changes in the scope of the Work which may result in additional compensation due to the Consultant shall require prior written approval by an authorized representative of GREDA or by GREDA. GREDA will not pay additional compensation for services that do not have prior written authorization.
4. GREDA agrees to provide the Consultant with the information required to complete the Work.

5. **Method of Payment.** The Consultant shall submit itemized bills for professional services performed under this Agreement on a monthly basis. Bills submitted shall be paid in the same manner as other claims made to GREDA.
6. **Project Manager and Staffing.** The Consultant has designated the individuals identified in Exhibit A as the Project Manager to serve on the Project. The Project Manager shall be assisted by other staff members as necessary to facilitate the completion of the Project in accordance with the terms established herein. Consultant may not remove or replace the Project Manager without the approval of GREDA.
7. **Standard of Care.** Consultant shall exercise the same degree of care, skill and diligence in the performance of the Work as is ordinarily exercised by members of the profession under similar circumstances in Minnesota. Consultant shall be liable to the fullest extent permitted under applicable law, without limitation, for any injuries, loss, or damages proximately caused by Consultant's breach of this standard of care. Consultant shall put forth reasonable efforts to complete its duties in a timely manner. Consultant shall not be responsible for delays caused by factors beyond its control or that could not be reasonably foreseen at the time of execution of this Agreement. Consultant shall be responsible for costs or damages arising from unreasonable delays in the completion of the Work.
8. **Audit Disclosure.** The Consultant shall allow GREDA or its duly authorized agents reasonable access to such of the Consultant's books and records as are pertinent to the work performed under this Agreement. Any reports, information, data, etc. given to, or prepared or assembled by, the Consultant under this Agreement which GREDA requests to be kept confidential shall not be made available to any individual or organization without the GREDA's prior written approval. All finished or unfinished documents, data, studies, surveys, drawings, maps, models, photographs, and reports prepared by the Consultant shall become the property of GREDA upon termination of this Agreement, but Consultant may retain copies of such documents as records of the services provided.
9. **Term.** The term of the Agreement shall be from July 23, 2026, the date of signature by the parties notwithstanding, through May 1, 2027. This Agreement may be extended upon the written mutual consent of the parties for such additional period as they deem appropriate, and upon the terms and conditions as herein stated.
10. **Termination.** This Agreement may be terminated by the Consultant effective upon sixty (60) days' written notice delivered to GREDA at the address written above. GREDA may terminate this Agreement for any reason effective immediately, upon with notice to the consultant. Upon termination under this provision, the Consultant shall be paid for services rendered and reimbursable expenses until the effective date of termination.

If, however GREDA terminates this Agreement because the Consultant has failed to perform in accordance with this Agreement, no further payment shall be made to

the Consultant, and GREDA may retain another consultant to undertake or complete the Work.

11. **Independent Consultant.** At all times and for all purposes herein, the Consultant is an independent contractor and not an employee of GREDA. No statement herein shall be construed so as to find the Consultant an employee of GREDA.
12. **Non-Discrimination.** During the performance of this Agreement, the Consultant shall not discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status with regard to public assistance, disability, or age. The Consultant shall post in places available to employees and applicants for employment, notices setting forth the provision of this non-discrimination clause and stating that all qualified applicants will receive consideration for employment. The Consultant shall incorporate the foregoing requirements of this paragraph in all of its subcontracts for program work and will require all of its subcontractors for such work to incorporate such requirements in all subcontracts for program work.
13. **Assignment.** Neither party shall assign this Agreement, nor any interest arising herein, without the prior written consent of the other party.
14. **Services Not Provided For.** No claim for services furnished by the Consultant not specifically provided for in Exhibit A shall be honored by GREDA.
15. **Severability.** The provisions of this Agreement are severable. If any portion hereof is, for any reason, held by a court of competent jurisdiction to be contrary to law, such decision shall not affect the remaining provisions of this Agreement.
16. **Entire Agreement.** The entire agreement of the parties is contained herein. This Agreement supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous agreements presently in effect between the parties relating to the subject matter hereof. Any alterations, amendments, deletions, or waivers of the provisions of this Agreement shall be valid only when expressed in writing and duly signed by the parties, unless otherwise provided herein.
17. **Compliance with Laws and Regulations.** In providing services hereunder, the Consultant shall abide by all statutes, ordinances, rules and regulations pertaining to the provisions of services to be provided. The Consultant and GREDA, together with their respective agents and employees, agree to abide by the provisions of the Minnesota Data Practices Act, Minnesota Statutes Section 13, as amended, and Minnesota Rules promulgated pursuant to Chapter 13. Any violation of statutes, ordinances, rules and regulations pertaining to the services to be provided shall constitute a material breach of this Agreement and entitle GREDA to immediately terminate this Agreement.

18. **Waiver.** Any waiver by either party of a breach of any provision of this Agreement shall not affect, in any respect, the validity of the remainder of this Agreement.
19. **Indemnification.** Consultant agrees to indemnify and hold harmless GREDA and its officials, employees and agents from any liability, claims, damages, costs, losses judgments, or expenses, including reasonable attorney's fees, resulting directly from a negligent act or omission (including without limitation professional errors or omissions) of the Consultant, its agents, employees, or subcontractors in the performance of the services provided by this Agreement and against all losses by reason of the failure of said Consultant fully to perform, in any respect, all obligations under this Agreement.

20. Insurance.

- A. **General Liability.** Prior to starting the Work, Consultant shall procure, maintain and pay for such insurance as will protect against claims for bodily injury or death, or for damage to property, including loss of use, which may arise out of operations by Consultant or by any subcontractor or by anyone employed by any of them or by anyone for whose acts any of them may be liable. Such insurance shall include, but not be limited to, minimum coverages and limits of liability specified in this Paragraph or required by law. The policy(ies) shall name GREDA as an additional insured for the services provided under this Agreement and shall provide that the Consultant's coverage shall be primary and noncontributory in the event of a loss.
- B. Consultant shall procure and maintain the following minimum insurance coverages and limits of liability on this Project:

Workers Compensation	Statutory Limits
Employer's Liability	\$500,000 each accident \$500,000 disease policy limit \$500,000 disease each employee
Comprehensive General Liability	\$1,500,000 property damage and bodily injury per occurrence \$2,000,000 general aggregate \$2,000,000 Products – Complete Operations Aggregate \$100,000 fire legal liability each occurrence \$5,000 medical expense

Comprehensive Automobile Liability each	\$1,000,000 combined single limit
all	accident (shall include coverage for
vehicles.	owned, hired and non-owned
Umbrella or Excess Liability	\$1,000,000

- C. The Comprehensive General/Commercial General Liability policy(ies) shall be equivalent in coverage to ISO form CG 0001, and shall include the following:
- a. Premises and Operations coverage with no explosions, collapse, or underground damage exclusion (XCU).
 - b. Products and Completed Operations coverage. Consultant agrees to maintain this coverage for a minimum of two (2) years following completion of its work. Said coverage shall apply to bodily injury and property damage arising out of the products-completed operations hazard.
 - c. Personal injury with Employment Exclusion (if any) deleted.
 - d. Broad Form CG 0001 0196 Contractual Liability coverage, or its equivalent.
 - e. Broad Form Property Damage coverage, including completed operations, or its equivalent.
 - f. Additional Insured Endorsement(s), naming the "Grand Rapids Economic Development Authority" as an Additional Insured, on ISO form CG 20 10 07 04 or such other endorsement form as is approved by GREDA.
 - g. If the Work to be performed is on an attached community, there shall be no exclusion for attached or condominium projects.
 - h. "Stop gap" coverage for work in those states where Workers' Compensation Insurance is provided through a state fund if Employer's liability coverage is not available.
 - i. Severability of Insureds provision.

- D. Professional Liability Insurance. The Consultant agrees to provide to GREDA a certificate evidencing that they have in effect, with an insurance company in good standing and authorized to do business in Minnesota, a professional liability insurance policy. Said policy shall insure payment of damage for legal liability arising out of the performance of professional services for GREDA. Said policy shall provide an aggregate limit of \$2,000,000. Said policy shall not name GREDA as an insured.
- E. Consultant shall maintain in effect all insurance coverages required under this Agreement at Consultant's sole expense and with insurance companies licensed to do business in the state in Minnesota and having a current A.M. Best rating of no less than A-, unless specifically accepted by GREDA in writing. In addition to the requirements stated above, the following applies to the insurance policies required under this Paragraph:
- a. All policies, except the Professional Liability Insurance policy, shall be written on an "occurrence" form ("claims made" and "modified occurrence" forms are not acceptable);
 - b. All policies, except the Professional Liability Insurance policy, shall be applied on a "per project" basis;
 - c. All policies, except the Professional Liability Insurance and Worker's Compensation Policies, shall contain a waiver of subrogation naming "the Grand Rapids Economic Development Authority";
 - d. All policies, except the Professional Liability Insurance and Worker's Compensation Policies, shall name "the Grand Rapids Economic Development Authority" as an additional insured;
 - e. All policies, except the Professional Liability Insurance and Worker's Compensation Policies, shall insure the defense and indemnity obligations assumed by Consultant under this Agreement; and
 - f. All policies shall contain a provision that coverages afforded thereunder shall not be canceled or non-renewed, nor shall coverage limits be reduced by endorsement, without thirty (30) days prior written notice to GREDA.

A copy of the Consultant's Certificate of Insurance which evidences the compliance with this Paragraph 20, must be filed with GREDA prior to the start of Consultant's Work. Upon request, a copy of the Consultant's insurance declaration page, Rider and/or Endorsement, as applicable shall be provided. Such documents evidencing Insurance shall be in a form

acceptable to GREDA and shall provide satisfactory evidence that Consultant has complied with all insurance requirements. Renewal certificates shall be provided to GREDA prior to the expiration date of any of the required policies. GREDA will not be obligated, however, to review such Certificate of Insurance, declaration page, Rider, Endorsement or certificates or other evidence of insurance, or to advise Consultant of any deficiencies in such documents and receipt thereof shall not relieve Consultant from, nor be deemed a waiver of, GREDA's right to enforce the terms of Consultant's obligations hereunder. GREDA reserves the right to examine any policy provided for under this paragraph.

- F. **Effect of Consultant's Failure to Provide Insurance.** If Consultant fails to provide the specified insurance, then Consultant will defend, indemnify and hold harmless GREDA, GREDA's officials, agents and employees from any loss, claim, liability and expense (including reasonable attorney's fees and expenses of litigation) to the extent necessary to afford the same protection as would have been provided by the specified insurance. Except to the extent prohibited by law, this indemnity applies regardless of any strict liability or negligence attributable to GREDA (including sole negligence) and regardless of the extent to which the underlying occurrence (i.e., the event giving rise to a claim which would have been covered by the specified insurance) is attributable to the negligent or otherwise wrongful act or omission (including breach of contract) of Consultant, its subcontractors, agents, employees, or delegates. Consultant agrees that this indemnity shall be construed and applied in favor of indemnification. Consultant also agrees that if applicable law limits or precludes any aspect of this indemnity, then the indemnity will be considered limited only to the extent necessary to comply with that applicable law. The stated indemnity continues until all applicable statutes of limitation have run.

If a claim arises within the scope of the stated indemnity, GREDA may require Consultant to:

- a. Furnish and pay for a surety bond, satisfactory to GREDA, guaranteeing performance of the indemnity obligation; or
- b. Furnish a written acceptance of tender of defense and indemnity from Consultant's insurance company.

Consultant will take the action required by GREDA within fifteen (15) days of receiving notice from the GREDA.

- 21. Records Access.** The Consultant shall provide GREDA access to any books, documents, papers, and records which are directly pertinent to the specific contract, for the purpose of making audit, examination, excerpts, and transcriptions, for three years after final payments and all other pending matters related to this contract are closed.

22. Ownership of Documents. All plans, diagrams, analyses, reports and information generated in connection with the performance of the Agreement ("Information") shall become the property of GREDA. GREDA may use the Information for its purposes and the Contractor also may use the Information for its purposes. Reuse of the Information for the purposes of the project contemplated by this Agreement ("Project") does not relieve any liability on the part of the Contractor, but any reuse of the Information by GREDA or the Contractor beyond the scope of the Project is without liability to the other, and the party reusing the Information agrees to defend and indemnify the other from any claims or liability resulting therefrom.

23. Subcontractor. The Consultant shall not enter into subcontracts for services provided under this Agreement except as noted in Exhibit A, without the express written consent of GREDA. The Consultant shall pay any subcontractor involved in the performance of this Agreement within the ten (10) days of the Consultant's receipt of payment by GREDA for undisputed services provided by the subcontractor. If the Consultant fails within that time to pay the subcontractor any undisputed amount for which the Consultant has received payment by GREDA, the Consultant shall pay interest to the subcontractor on the unpaid amount at the rate of 1.5 percent per month or any part of a month. The minimum monthly interest penalty payment for an unpaid balance of \$100 or more is \$10. For an unpaid balance of less than \$100, the Consultant shall pay the actual interest penalty due to the subcontractor. A subcontractor who prevails in a civil action to collect interest penalties from the Consultant shall be awarded its costs and disbursements, including attorney's fees, incurred in bringing the action. In addition, no subcontractor can file a lien against GREDA.

24. Dispute Resolution/Mediation. Each dispute, claim or controversy arising from or related to this Agreement or the relationships which result from this Agreement shall be subject to mediation as a condition precedent to initiating legal or equitable actions by either party. Unless the parties agree otherwise, the mediation shall be in accordance with the mediation standards currently in effect. A request for mediation shall be filed in writing with the other party. No legal or equitable action may be instituted for a period of ninety (90) days from the filing of the request for mediation unless a longer period of time is provided by agreement of the parties. Cost of mediation shall be shared equally between the parties. Mediation shall be held in the City of Grand Rapids unless another location is mutually agreed upon by the parties. The parties shall memorialize any agreement resulting from the mediation in a Mediated Settlement Agreement, which Agreement shall be enforceable as a settlement in any court having jurisdiction thereof.

25. Conflicts. No salaried officer or employee of GREDA and no member of the Grand Rapids Economic Development Authority Board of Commissioners shall have a financial interest, direct or indirect, in this Agreement. The violation of this provision renders the Agreement void. Any federal regulations and applicable state statutes shall not be violated.

26. **Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be considered an original.
27. **Entire Agreement.** This Agreement constitutes the entire agreement of the parties and supersedes all prior communications, understandings and agreements relating to the subject matter hereof, whether oral or written.
28. **Governing Law.** This Agreement shall be controlled by laws of the State of Minnesota. Executed as of the day and year first written above.

**Grand Rapids Economic Development
Authority**

GREDA President

GREDA Executive Director

Lane Design Group

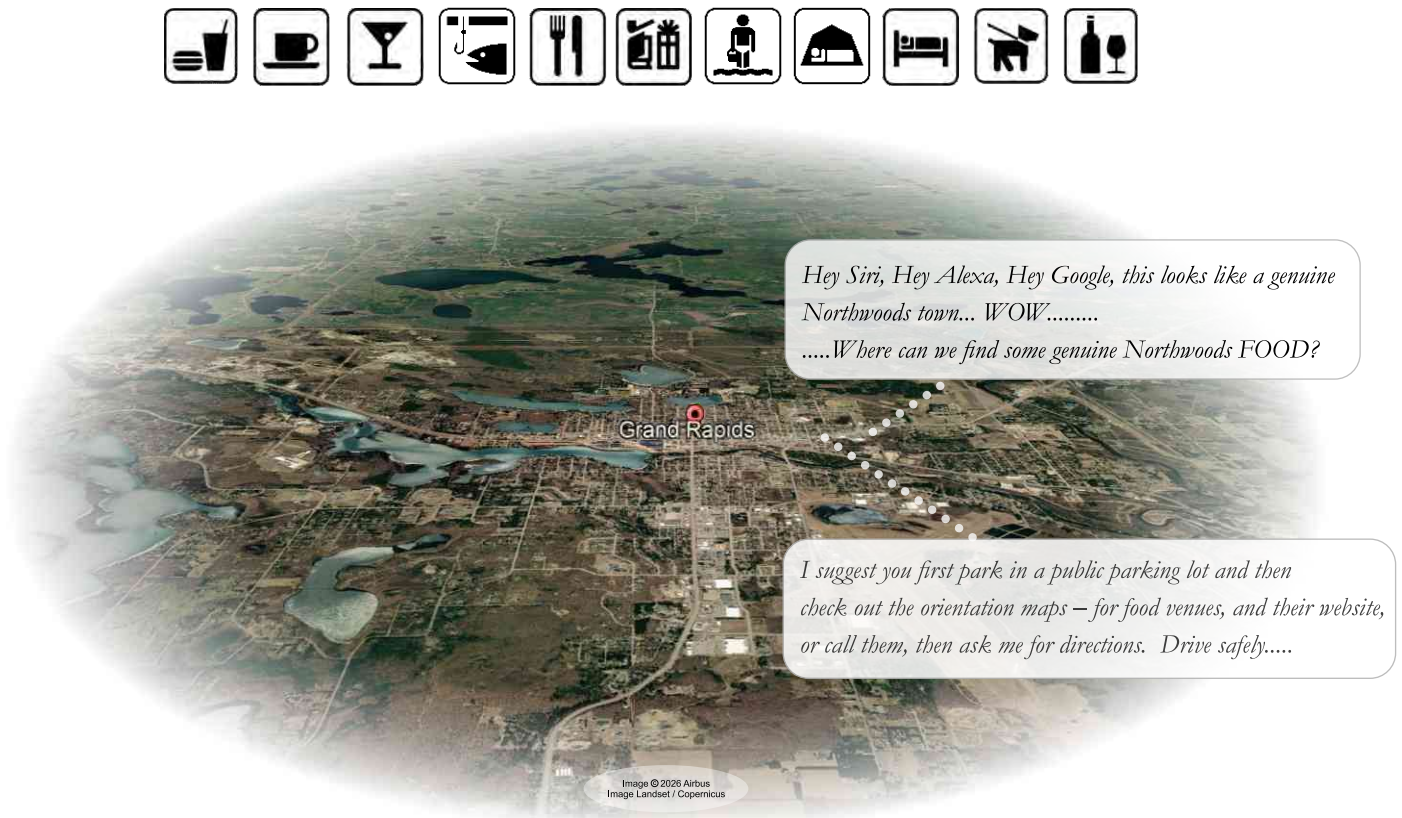
By: _____

Its: _____



Lane Design Group, Inc.

is pleased to present....



the following Proposal to the
Grand Rapids Economic Development Authority
for a
Wayfinding Master Plan

June 18, 2026



Lane Design Group, Inc.

Wayfinding Proposal

135 Lost Lake Court
Mahtomedi, MN 55115-1866
651 653-3839

Contents:

1	Letter
3	Related Projects/ Experience
11	Key Personnel
14	Approach/Phases/Fees



Rob Mattei
Director of Community Development
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744

Chris Walker
Executive Director
Grand Rapids Downtown Alliance
221 NW 1st Ave.
Grand Rapids, MN 55744

June 18, 2026

Rob and Chris,

I would like to thank you both for our recent virtual meeting discussions, for reviewing some of our project work related to the Roseville Wayfinding Program that was sent earlier, and for inviting us to present the following proposal for design services related to a new Wayfinding Program for the City of Grand Rapids, Minnesota.

We have a broad background in this area of design and are committed to using our knowledge and experience, combined with your knowledge and input, to help people find their way and enjoy the many resources that the Grand Rapids area has to offer.

We are also fortunate to have a staff of designers who have worked together for over 40 years in this challenging area of graphics, commonly referred to as "Environmental Graphics" and "Experiential Graphics". And although we've been active in this discipline over these years, we are still learning and refining our work in this area of design. I have included a few projects that demonstrate the range of considerations and solutions in environmental graphics that we have designed and that are relevant to the development of this wayfinding program for the Grand Rapids area.

Based on our earlier discussions we propose that the wayfinding program will be developed to achieve the most cost effective outcomes and will be guided by these methods:

1. The wayfinding plan will be informed by visitor data as well as insights from our teams' on-site studies, information from the Grand Rapids Downtown Alliance, visitor comments, suggestions offered by local businesses, guidelines from state and local regulatory authorities, direction of elected city representatives, and insights from other stakeholders.
2. These local advisory groups may, along with your Wayfinding Team, be asked to review and comment on the concepts, design development, final design, as well as setting wayfinding investment priorities, per your requests.
3. The strategy define goals, key audiences, messages, communication channels, and implementation methods and devices that will help connect visitor audiences with significant Grand Rapids amenities.
4. In addition to signage methods, visitors will be encouraged to access information about Grand Rapids amenities through other methods such as web-based channels, social media, print, and local news.
5. Internet-based wayfinding resources (e.g., Siri and Alexa or Google) will be taken into consideration when setting priorities for the physical wayfinding elements.



6. Considering the internet resources however, visitors need be informed as to the total realm of local amenities and activities in order to ask for direction to them. Indexing of activities and destinations with orientation maps, can help in that effort - with both virtual and physical delivery methods.

7. Investments in physical wayfinding should:

- a. Enhance the image of Grand Rapids.
- b. Increased awareness of area amenities and guiding people to them.
- c. Create an atmosphere of hospitality in the community that welcomes and connects visitors, employees, and residents to area amenities.
- d. Inspire people to explore Grand Rapids.
- e. Help increase and secure repeat business and activity for area businesses and local amenities.

We believe that the wayfinding master plan should serve as a guide for current and phased implementation based on available funding and as such will include fabrication and installation details as needed for the first phase budget. We will however provide a cost estimate and plan suitable for the overall future application of system components with limited details sufficient to launch the program and establish a budgeting plan as guidance for the program's advisory and oversight groups.

We have described in this proposal, some of our project work in this field of wayfinding and we are offering a series of design steps that we think the program will involve. We have also shown our best estimates, at this time, for the fees and the time that will most likely be required. If you have any questions regarding the process, fees, scope, or personnel, please don't hesitate to call me or send me any requests via email.

Again, we appreciate the opportunity to present this proposal to the City of Grand Rapids and look forward to the possibility of working with you both, and the Grand Rapids Downtown Alliance Team.

Sincerely,

Robert J. Lane
President, Lane Design Group, Inc.

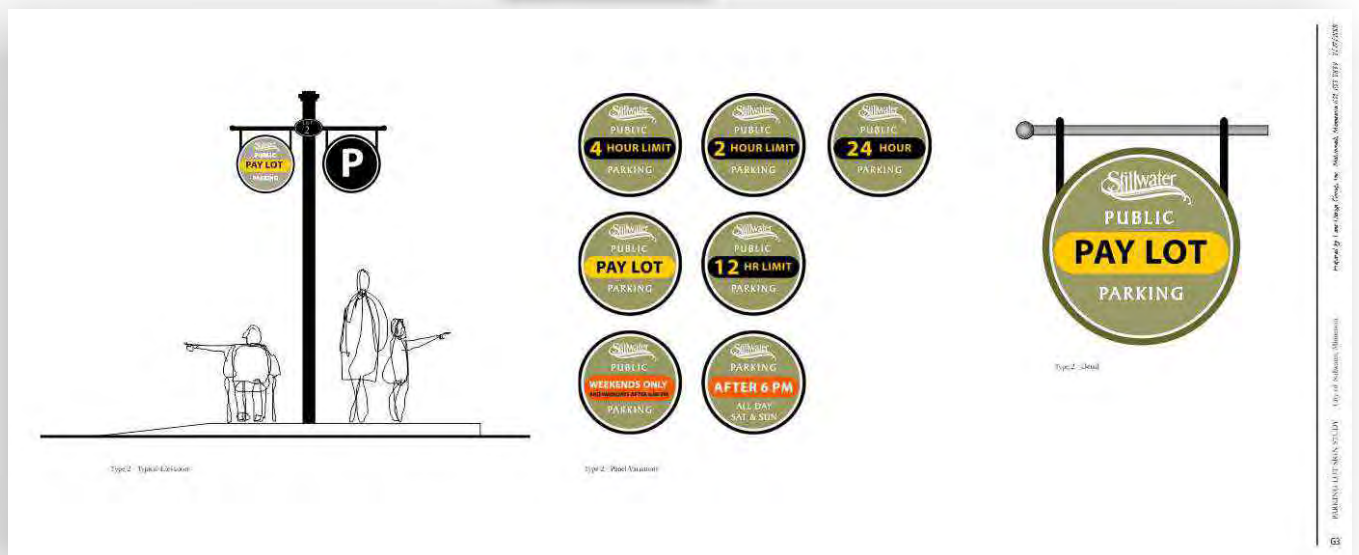
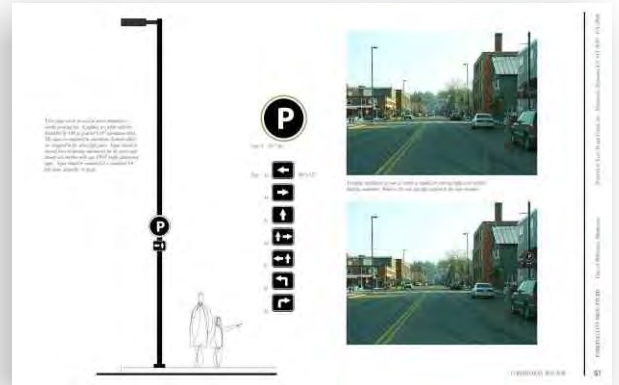
rlane@lanedesigngroup.com



Stillwater Parking Lot Identification

Stillwater, Minnesota

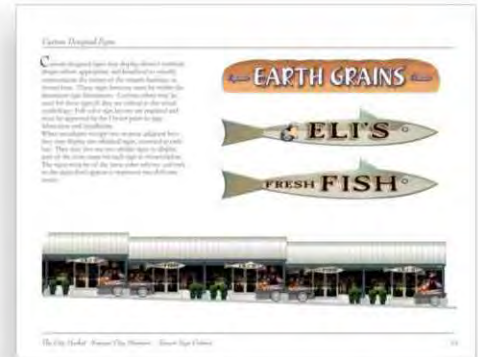
The City of Stillwater asked us to help clean up their image by designing a new system for parking identification for 13 parking lots. They felt the old red and white signs used by the parking lot management firm were ineffective. The unique design problem was that the lots all had different time limits depending on their proximity to the main street shops. Additionally some lots were pay lots during the summer months. The design successfully dealt with these issues using modular disks assembled on a Victorian style pipe and post detail that allowed the signs to be changed seasonally and swing in the wind. The combination of function and style passed the Historic Review Committee and the Parking Facilities Committee with flying colors. We later designed a modular attendant shelter for their larger pay lots.





The City Market *Kansas City, Missouri*

The City Market signage program began with the site analysis, photo documentation of existing conditions and preparation of a Graphics Master Plan. The initial design work included a thorough review of details, policies and economical opportunities for identity and experience enhancement.



Design criteria for tenant signage were designed to encourage creative, authentic imagery that would have a cumulative, positive impact to the overall market experience. Previously most tenants would string up vinyl banners - usually red and white - with little imagination or contributive character.

A series of design criteria manuals were prepared and presented to the City and to the tenants, and later as funding was available, the standards were defined in specific bid packages and implemented.

While the Graphics Master Plan continues to be implemented in phases, there are noticeable improvements in the overall identity, appearance, visitor volume and vendor revenues.





Eastside Heritage Park - Signage and Interpretive Graphics

Saint Paul, Minnesota

From the initial site evaluation, it was a challenge to create an appropriate graphics palette for this relatively small park that needed to be a quiet community park that was placed beside a 40+ mph, 4-lane roadway.

In addition to identifying the park, passers-by needed to know that it was also a trail head connection to downtown Saint Paul as well as the North Shore -- a trail head that was below grade and virtually invisible.

The City of Saint Paul worked for years to plan and gain funding to develop this East Side park, and it became the designers' task to fulfill the dreams of the community - a place to relax, enjoy, connect, and learn.

The design team, lead by the architect, seamlessly developed a series of concepts that would best fit these goals. After two "town hall" meetings and presentations a single design was agreed upon and included a bermed protective open space with a shelter, complete with a fireplace, restroom building, and interpretive information kiosks. The graphics helped the park communicate with its users, identify its recessed bike and pedestrian trail, enlist the interest of passing vehicular traffic, and tell stories of pride, heritage and accomplishment to the youngsters, and the oldsters, of the East Side.

We received an Award of Recognition by the Saint Paul Heritage Preservation Commission and the Saint Paul Chapter of the AIA for interpretive graphics and signage design in May, 2010.

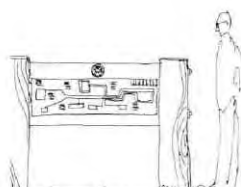
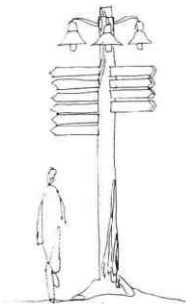
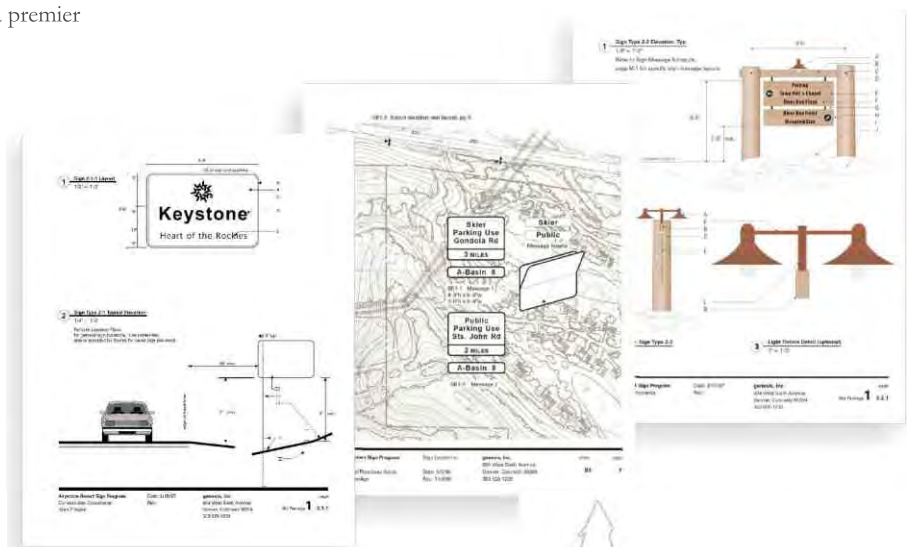




Keystone Sign Standards

Keystone, Summit County, Colorado

This planning and design program included wayfinding, identity and commercial sign standards as part of an overall resort master plan update. We provided conceptual design for eight neighborhood identities, informational and orientation signage concepts and a sign ordinance for all neighborhoods that would insure an appropriate character for the entire resort community. Our work was provided a part of an overall identity program in collaboration with Genesis, Inc., for the master developer, Vail Ski Corporation. Roadway signage was designed to address a severe parking capacity issue and approved the Colorado Department of Transportation. Today the design concepts and sign standards for Keystone Resort are continuing to be implemented, and are helping this community reestablish itself as a premier ski resort.





Chicago - O'Hare International Airport, Graphics Standards *Chicago, Illinois*

Our work included inventory and evaluation of existing signs at the airport followed by the development of comprehensive signage standards for roadways and terminals. Later the standards were implemented in two phases - roadway and terminal area signs - and we provided complete construction documents and installation review, with the engineering staff of C.F. Murphy Associates and the City of Chicago Departments of Aviation and Public Works. The roadway signs were also reviewed and approved by Illinois D.O.T., and the Illinois Tollway Authority including the new 3M Panaflex photo image signs that spanned inbound and outbound roadways. Interior signs were designed as modular, changeable, internally illuminated sign faces which allowed for economical and timely updating. From initial analysis to complete implementation the project spanned period of four years and set the standard for wayfinding systems in airports.



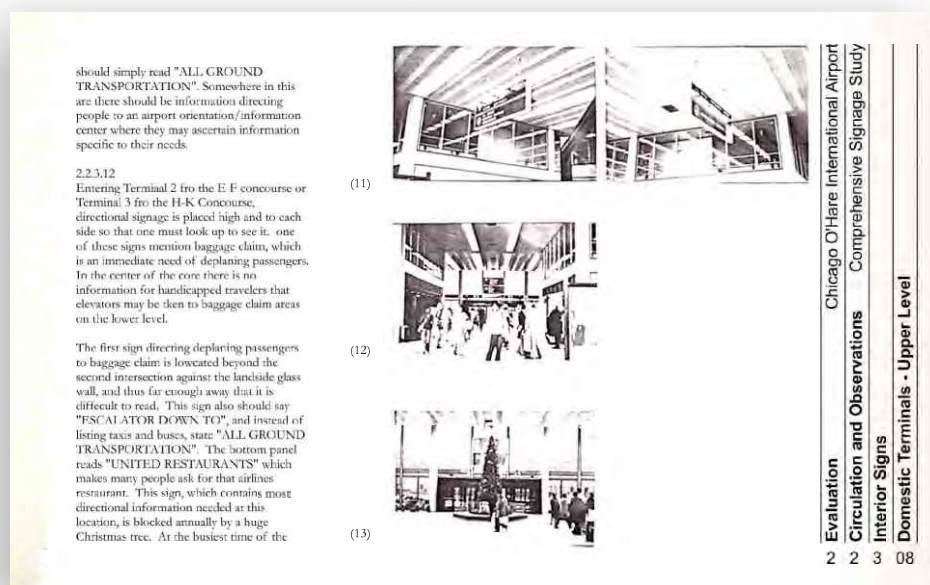


In addition to the qualifications previously presented, Lane Design Group has considerable experience in the following design tasks that will be required and be beneficial to this project:

On-Site Analysis and Design Experience

Often on projects that are outside our regional areas, we will spend a week or two-week long intensive analysis and design session. We call them "Squatter Sessions". We arrive at the project location and set up camp with a team of designers and conduct daily survey tasks to get familiar with the project needs and environment. We record via video the normal viewing conditions as seen by motorists, bicyclists and pedestrians. We study the givens, the constraints and rapidly explore design opportunities. We use these sessions to uncover all significant aspects of the project and then review our findings with the Client to immediately get the ball rolling. Examples of projects where squatter sessions have been conducted include Miami Dade County Rapid Transit System Graphics, Miami, Florida; Keystone Resort, Colorado; Schlitterbahn Waterpark, Kansas City, Kansas.

Our work for O'Hare International Airport was the most extensive example of an analysis and evaluation phase of any wayfinding project we've done. It involved photo documentation of every existing sign at the airport over one foot square, and a chart of key characteristics of each sign which was then sorted by a computer, and custom program, to clearly indicate the area of the airport they were located and the extent of problems, including issues such as reflective glare, fading, incorrect message content and others. Signs with no deficiencies were also recorded. The results were sorted by general location, type of deficiency and physical category of sign type, i.e. illuminated, non-illuminated, overhead, post mounted, and exposure by viewer traffic volume. Once the deficiencies were sorted, on-site walking and driving tours were conducted and any areas of inadequate or confusing information were noted in a written narrative. A third level of analysis involved interviews. We interviewed passengers (who had time to give us their comments) regarding problem signing in the terminals. We interviewed ticket counter personnel and passenger service desk attendants. We interviewed representatives of each airline, and documented this information. Once all the analysis was evaluated we were able to statistically inform the City of Chicago, Department of Aviation where the problems were that affected the greatest number of passengers and airport users. Upon reviewing our summary they decided to undertake a complete redo of roadway, parking, and terminal area signs. We then began the design phase of work fully informed as to the goals and design needs of the new signage system. The same designers that directed this effort will guide, and participate in, the wayfinding analysis and evaluation activities for the Grand Rapids wayfinding project as well.

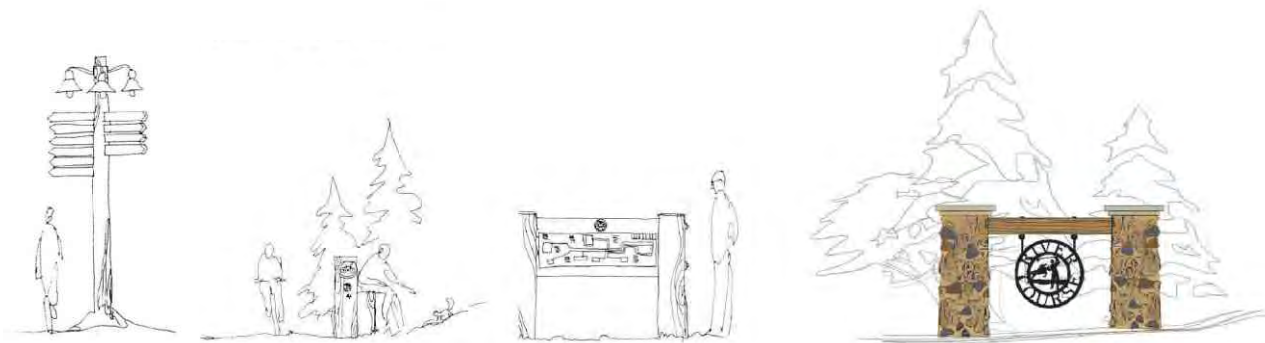


Typical evaluation sheet from O'Hare



Concept Design and Design Development Practices

We typically begin forming concepts and generating ideas very early in a project as we are exploring and evaluating existing conditions. Once we have a clear understanding of issues and needs that the design work will have to resolve, we begin sketching multiple thoughts and organizing overarching concepts that appear to make sense. When vehicular wayfinding is a part of the design scope these initial concepts must consider motion, time and human limitations in addition to any graphic or experiential themes that seem to fit the environment or community character. We often present these early sketches to give our client an interim view of what we are thinking and what the approximate cost is associated with them. It's a way of letting the Client participate in the design process and system logic.



Concept sketches for Keystone Resort's family of sign types

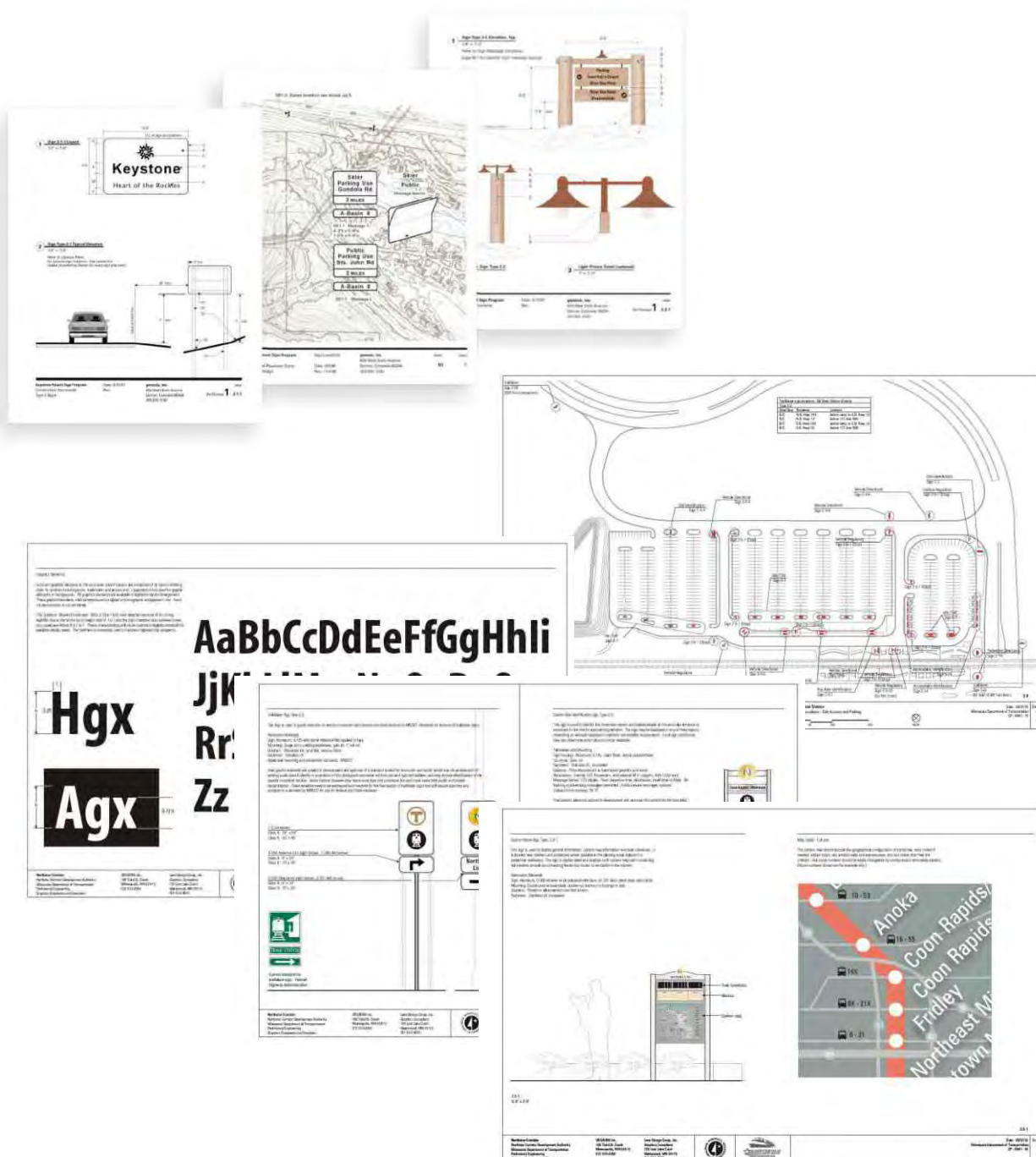
Following the sketch and concept formulation work we proceed to detail visual studies and realistic photo renderings to show system components in a "virtual design" presentation. We study variations in scale, color, materials and always in context to their actual environment and proposed locations. We look at day and night views. We study the design while simulating vehicular speed. We diagrammatically show reading time and reading distance for given letter sizes to properly assess sign placement and size. We will be using these detail methods to study and present the proposed design schemes for comparison and evaluation on the Grand Rapids wayfinding project as well.



Virtual design image developed for the City Market concept presentation

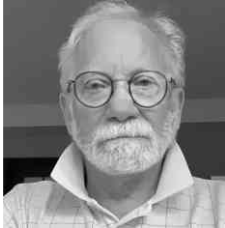
Design Development Documentation

Our final design task will be to document the design scheme that is selected. Those documents will define the design of sign types and their locations including details for size, color, materials and intended function. The drawings below show the level of detail that we are used to providing on wayfinding and identity documents that insure clarity of design intent and application. We expect the Grand Rapids wayfinding sign types will include similar documentation detail.





Key Personnel



ROBERT J. LANE / PROJECT MANAGER / DESIGN DIRECTOR

Bob is the owner, and design director at Lane Design Group, Inc. He is responsible for design and project management of environmental graphics programs in the firm's Saint Paul office.

His design experience includes corporate identity, corporate communications, product promotion, package design, exhibit design and environmental graphics.

His work involves design and project management with clients that range from corporate executives to municipal department heads to small business owners and he often directs the graphic design component for large interdisciplinary design projects.

Bob's experience also includes marketing design, corporate communications, annual report, and exhibit design with a broad range of Fortune 500 companies and has directed design programs for the municipalities of Chicago, Illinois, Kansas City Missouri, and Dade County, Florida, Saint Paul, Minnesota and for the Mandan, Hidatsa, and Arikara Nation, located in North Dakota. After earning his BFA degree from the Kansas City Art Institute he joined InterDesign in Minneapolis as a graphic designer and went on to head the graphics department of CRS, an architectural firm in Houston, Texas. He later became a founding partner of Keller, Lane & Waln in Chicago where he worked on numerous print and environmental graphics programs, including the comprehensive graphics standards for Chicago-O'Hare International Airport.

Mr. Lane was a founding member and board member of the Society of Environmental Graphic Designers. He has received awards for design excellence from American Corporate Identity and Progressive Architecture and contributed to numerous award-winning architectural projects.

More recently, Bob received a Design Recognition Award from the Saint Paul Chapter of the American Institute of Architects for his prototype wayfinding design for Saint Paul's Eastside Heritage Park. This pedestrian wayfinding program is now being implemented by the Department of Parks and Recreation, throughout the City of Saint Paul. A similar trail program of this "finger post" sign design is also being implemented by the neighboring City of Roseville, Minnesota.



Key Personnel



STEVE KELLER / ASSISTANT PROJECT MANAGER /DESIGN DIRECTOR

Steve is a design director and project manager at Lane Design Group, Inc. He has been developing design and communication solutions for over 30 years. After graduating from the Institute of Design in Chicago and completing graduate studies in Europe as a Fulbright Scholar, he worked for Container Corporation of America and the Center for Advanced Research and Design.

Steve also established a graphics and environmental design department for the architectural firm of C F Murphy & Associates. He was the founding partner of the Chicago based design firm of Keller, Lane & Waln, earlier known as The Graphics Group, where he directed numerous print, identity and environmental graphics programs for such clients as Quaker Oats, Steelcase, American Hospital Supply, O'Hare International Airport and the J. Edgar Hoover FBI Building. He later joined Genesis in Denver as a partner and design director where he worked with Lane Design Group on several graphics programs including Arlington International Racecourse, and Keystone Resort sign program.

His recent work includes the design and project management for the graphics program for the Pepsi Center in Denver. Having recently rejoined Lane Design Group, Steve directs design and develops marketing and environmental graphics from the Colorado based office in Denver. He contributes significantly to the firms environmental graphics, exhibition design and multimedia capabilities. Steve recently assisted in the design of a wayfinding program for the City of Roseville, Minnesota and an interpretive exhibit for the MHA Nation's new hydroponic greenhouse NG2, in Parshall, North Dakota.

In addition to recognition and awards for his work, Mr. Keller has been invited to lecture to students, his peers and professional associations on the specifics of large interdisciplinary projects.



Key Personnel



WILLIAM BOHNHOFF / COLLABORATIVE DESIGNER / PRODUCTION COORDINATOR

Bill's background includes a wide range of communication disciplines including, corporate communications design, product promotion, package design, interactive design and environmental graphics systems design.

A 1972 graduate of Northern Illinois University with a BFA in Graphic and Communication Design, Bill's first job was as a designer for Design Planning Group. While at DPG he worked on signage for Water Tower Place (a vertical retail mall) in Chicago Illinois, interior and lobby signage for the Sears Tower in Chicago, Illinois and assisted in the development of a new corporate identity for J. C. Penney.

In 1974 Bill joined Keller, Lane and Waln, where he worked on the graphics programs for several transit projects in Chicago's Central Area Transit Program and the MetroRail program in Dade County, Florida. He was responsible for several product marketing graphics programs including Shaw Walker, Herman Miller, American Hospital Supply and Baxter Travenol. Most recently Bill assisted Lane Design Group (formerly Keller Lane & Waln) in the schematic design phase for the Northstar Corridor commuter rail project in Minneapolis and continues to provide valuable design and management experience to the firm on larger scope environmental graphics projects.

Bill will be assisting our team for inventory and analysis of existing conditions, design assistance, web interactive concepts related to wayfinding and overall standards manual production.

Mr. Bohnhoff recently assisted in the design of a wayfinding program for the City of Roseville, Minnesota and an interpretive exhibit for the MHA Nation's new hydroponic greenhouse, NG2, in Parshall, North Dakota.

*Project Approach, continued***Project Approach, Fees, and Duration, by Phase***Developing A Wayfinding Strategy... Our Methodology***Leading the Way**

It has been our history, and continues to be our approach to solving problems, that we work in partnership with people such as yourselves... those entrusted with a mission to improve communications, enhance the image, clarify purpose, create order, and add value to their constituents. Your familiarity, insights, and practical knowledge of Grand Rapids and the issues surrounding the mandate for a comprehensive wayfinding program will be valuable in evaluating and validating the concepts and processes that will eventually form the strategy for a wayfinding system that will most successfully serve this dynamic City.

Together, we must agree on whom we work for. For our part, we will work for those who need the clarity, reassurance, and goodwill that come from effective communication: the visitors to Grand Rapids, the residents of Grand Rapids, and the people in surrounding communities or who travel through the area. It's a big group! These are the honored guests who will benefit from and be affected by solutions that respond to their needs—and they will be the ones who most appreciate our work... our Team's work.

As designers, we realize that we don't have all the answers — that you, our client, are uniquely aware of the wayfinding needs, and your input can significantly add to the design of a system that best serves the needs of Grand Rapids' residents and guests.

We believe strongly in these tenets and think they will serve this project well. They will be the foundation of our methodologies and serve as our compass for your complex and intriguing program. A program that we believe can demonstrate the value of wayfinding communication in the urban environment.

Phase 1: Project Initiation

Following our notice to proceed we will continue to study the motorists views from major entry points via Google Earth and identify significant findings that could influence the design of wayfinding elements. We will also explore and review any planning documents that can be made available to us, that could be influential to the wayfinding program. This initial activity will include our review of the stated goals, schedules, and overall scope of the project with any requested adjustments of the Grand Rapids Downtown Alliance Team.

LDG Staff Hours: 36, Fee: \$3,240 Duration: 2-3 weeks

Phase 2: Survey and Evaluation

We will then conduct an on-site review to further inform our problem statement definition and overall project goals and review these findings with Team and gain any further specifics needed to proceed to the next phase.

The highlights of the site tour will be documented, and notes will be recorded that will begin the problem-solving design process. A follow-up meeting with our design staff via Zoom or Teams may be required to address any remaining questions before beginning the next phase. These discussions and directives will be documented and published.

During our survey work, we will walk and drive key areas of visitor approach to the City, explore vehicular and pedestrian considerations, record relevant observations, study existing wayfinding and gateway elements, while noting relevant wayfinding situations and issues, including possible design concepts. The team's attention will be focused on areas of special need and opportunity, such as entry portals, landmark elements, spaces, and areas most suitable for orientation, direction, and wayfinding information display. We will identify critical decision points, elements of visual connectivity and continuity, the impact of environmental factors, and human factors that need consideration. We will also listen to and document any design recommendations or considerations from the Wayfinding Team.

We will then identify a variety of opportunities to provide wayfinding information, key locations, devices, and methods for appropriately providing or enhancing information. The survey work will be performed during this summer and a possible follow-up visit during winter months, to best understand any constraints related to environment (like seasonal snowbank or snow storage areas).



We will record and annotate our field observations, interviews, and data, and organize the information in summaries that lead to specific problem statements and definitions of design goals. We will review these findings and any variables with the Grand Rapids Downtown Alliance staff. Ideas will be discussed, presented, and summarized. Specific wayfinding problems will be defined and a statement of problem-solving directives and design tasks will be defined to guide the design phase of work.

LDG Staff Hours: 48 for survey + 18 for evaluations + 24 for collaboration and documentation = Fee: \$8,100 plus expenses, Duration: 5 weeks

Phase 3: Design and Strategy Development

Our team will convene a Teams meeting with the Grand Rapids Downtown Alliance oversight team to present and discuss the needs, opportunities and initial concepts in developing the Wayfinding Master Plan. This meeting will look at each component of the project, including key entry points, portals, landmark elements, other visual orientation aids, gathering areas, and informational components, including the accommodation of event and other temporary signage.

We will present opportunities to integrate new and emerging technologies, the contribution that ancillary media can make, and the potential to define and strengthen the City's image and identity.

Working with the Grand Rapids Downtown Alliance oversight team, we will then get all the challenging issues and important opportunities on the table and incorporated into the conceptual design process. Over the course of several days, we plan to conceptualize and form the core of solutions that will develop into a comprehensive wayfinding system and strategy. Issues such as sustain-ability, the use of recycled and recyclable materials, low-impact energy consumption, leveraging existing wayfinding and identity elements, and low-maintenance solutions will be factored into the initial design explorations. Implementation, updating, and long-term cost implications will be considered, making every effort to balance the potential for visually efficient design solutions with the need for maintainable and be cost-effective ones.

Our preliminary design thinking will consider the City's production capabilities and those of local vendors. The value of being able to interact with the Grand Rapids Downtown Alliance representatives for review and comments will be significant in helping contain costs and keep our efforts on track. Preliminary cost estimates will be prepared based on the concepts that are developed.

Summary and presentation materials will be created for review with the Grand Rapids Downtown Alliance staff, key stakeholders, and other constituents. The wayfinding master plan components will be presented with photo-realistic renderings and typical location drawings. This will include maps that demonstrate the range of application, to-scale elevations, materials, and other methods as needed to best define the elements for evaluation and approval.

A sequencing study, or studies, will be presented to demonstrate how a typical user would follow the various wayfinding scenarios, from initial interest and exposure through the conclusion of their wayfinding experience. Viewer physiology will be presented to demonstrate limitations of vehicular viewing with respect to traffic speed and uniform traffic control and information standards for both federal and state right-of-ways. Where the phased implementation of system components is possible and desired, the methodology for such phasing will be presented and explained with consideration for future urban development and municipal budgets.

At this point in the project, we would seek user questions, comments, and endorsement of the conceptual design. We think that open house sessions with Grand Rapids Downtown Alliance personnel and interested stakeholders in attendance would be the appropriate way to gather feedback, and video conferencing will be the most economical and our preferred method. These meetings will be recorded and available for downloading by the City. The outcome of this phase will be documented and serve as directives for the following phase of work.

LDG Staff Hours: 120, Estimated Fee: \$14,400, Duration: 6 weeks

Phase 4: Final Design and Documentation

Following the initial design phase, our team will refine the wayfinding components as needed. Sign types will be detailed to define the size, materials, location guidelines, and general intent of each component, as needed, for implementation and cost proposals from fabricators and installers. This work will be published in a Manual of Wayfinding Standards for the Grand Rapids Downtown Alliance.

Since some sign types may be selected for phased installation, the design and detailing suitable for bidding, may also be phased to allow for some wayfinding components to be purchased and installed before others. The initial implementation process will be used to test design details with prototypes and to make any needed refinements for future installations. Since we operate from Saint Paul, Minnesota we will not perform the on-site construction management work, (but could be included as additional services on a time and materials basis). CM tasks will need to be conducted by the City or contracted with a local engineering firm capable of oversight of fabrication and field installation and code reviews, as needed and deemed appropriate by the City.

The overall system components will be cost-estimated based on the use of local fabricators, and on a per unit basis with estimated quantities, given the City's defined annual budget. Yearly escalation estimates will be provided, so decisions can be made annually on which components can be installed and how many to install. It can then be possible for the City to create a 5 to 10-year implementation plan that outlines the sign types to be procured, with their preferred locations, and the approximate costs expected, each of the following year.

LDG Staff Hours: 290 Estimated, Fee: \$26,100 Duration: 10 weeks

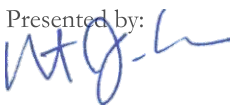
Summary

Many cities have undertaken wayfinding programs. Some have been more successful than others, and some have gained publicity for their design, while others have simply withstood the test of time. We think that the Grand Rapids Downtown Alliance organization can not only create a workable system that improves the visitor and user experience, but also result in financial payback. Looking good is important, but the system must work well, be flexible, economical, expandable, and reliable. Following these design goals will create a program that will endure the test of time.

We propose these design fees to prepare the Wayfinding Master Plan, for design phases 1 thru 4, over a period of 23-24 weeks, to be \$51,840.00 plus any direct expenses for mileage and lodging related to on-site field survey work. Additional fees, if requested, for on-site installation review will be proposed, and upon approval, will be billed later, when the implementation services, scope and timelines are better understood.

We appreciate the opportunity to present our design fees and scope proposal to you and your team, and will be ready to refine it or update it as may be requested.

Presented by:



Robert J. Lane
President, Lane Design Group, Inc.

and our designers,
Steve Keller and Bill Bohnhoff

Accepted by:

Signature

Name & Title

Date

If you don't have a dream, how you gonna have a dream come true?
 – Oscar Hammerstein II



We thank you for this opportunity,

Lane Design Group, Inc.

135 Lost Lake Court
 Mahtomedi, MN 55115-1866
 651 653-3839

www.lanedesigngroup.com



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Consider approval of an amendment to the professional services agreement with Pierson Henry LLC

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

On June 26, 2025, GREDA accepted a proposal from the firm of Pierson Henry LLC to provide certain services to support the formation and initial organization of the Grand Rapids Downtown Alliance.

The original proposal, which is attached, consists of flat fees totaling \$41,500 for the first phase which involves deliverables for strategic communications and fundraising. The second phase is a monthly fee of \$4,200 for deliverables/assistance in supporting implementation of the communications plan, providing benchmarks, tools, support and coaching to the new Executive Director to carry out all aspects of the communications and outreach work.

With the first phase complete, Pierson Henry and the Alliance have determined that a reduction in scope for the second phase is advisable. The proposed amendment to the agreement restructures the second phase to be an hourly not to exceed monthly fee of \$500.00 for as needed consulting services.

As a reminder, this work is funded by the Blandin Foundation grant to GREDA.

RECOMMENDATION:

REQUIRED ACTION: Make a motion to approve an amendment to the professional services agreement with Pierson Henry LLC

AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT

Between Grand Rapids Economic Development Authority ("Client")
And Pierson Henry LLC ("Consultant")

Proposed Effective July 1, 2026

Background

Over the past year, Pierson Henry has partnered closely with the Grand Rapids Economic Development Authority in its assistance to the Grand Rapids Downtown Alliance's formation, organizational development, strategic fundraising and communications planning, executive leadership transition, brand development, stakeholder engagement, and implementation efforts.

As the Alliance has matured and established a strong operational foundation, we see the level of ongoing support required becoming more intermittent and project-specific than originally anticipated under the current consulting arrangement.

To better align consulting services with the Alliance's current needs—and to provide continued access to strategic support while reducing overall consulting expenditures—Pierson Henry recommends transitioning from a comprehensive campaign counsel retainer structure to a flexible advisory and hourly not to exceed fee consulting model.

We estimate several thousands of dollars in savings monthly through this recommended structure that can be utilized for direct mission-impact work.

The parties therefore agree to amend Phase 2 of the existing Professional Services Agreement dated June 2, 2025 as follows:

1. Professional Services

Consulting services requested by the Grand Rapids Downtown Alliance outside the scope of any separately executed project agreement will be billed at \$250 per hour, not to exceed \$500/month, invoiced monthly. Should the client request services that the consultant expects will take more than 2 hours that month, consultant will inform client of this estimate to gain approval before moving forward on the work requested by client.

Please note that billable time includes, but is not limited to:

- Meetings (virtual or in-person)
- Telephone and video conferences
- Email review, correspondence, and consultation
- Strategic advice and recommendations
- Research and analysis
- Review of documents, policies, grant materials, or communications

- Preparation of reports, presentations, agendas, or other written materials
- Board and committee support
- Travel time when requested to attend meetings or events outside Grand Rapids

Time is billed in 0.1-hour (6-minute) increments, with a one-hour minimum for scheduled meetings.

Consultant work will be performed upon request from the Executive Director or Board Chair, and all requested services are considered billable unless otherwise agreed to in writing in advance.

Examples of billable services may include, but are not limited to:

- Strategic planning and facilitation
- Board and committee development consulting
- Executive coaching
- Community and stakeholder engagement
- Research and analysis
- Donor materials development
- Prospect research
- Communications strategy
- Meeting preparation and facilitation
- Development of new reports, plans, frameworks, recommendations, or deliverables
- Evaluation of
- Other consulting services requested by Client

Additional consulting services shall be scheduled based upon mutual availability.

3. Billing

Consulting services shall be invoiced monthly based upon actual time incurred during the previous month.

Invoices shall be due according to the payment terms outlined in the original agreement.

5. Expected Hours & Required Approval

We anticipate no more than 2 hours/month July 1, 2026, through December 31, 2026. As mentioned, if Client requests more substantial support, Consultant will estimate and inform Client before beginning the work to gain approval for use of hours.

5. Term and Termination

This amendment shall remain in effect until December 31, 2026. If services are requested beyond 2026, Consultant will provide a proposed framework for support.

6. Remaining Terms

Except as specifically modified herein, all terms and conditions of the original Professional Services Agreement shall remain in full force and effect.

Pierson Henry

(320) 293-8388 | katrina@piersonhenry.com

www.piersonhenry.com

Hi Rob, to make things official, please review and sign the agreement below. If you have any questions along the way, please reach out. We are excited to begin our collaboration with you!

Thank you,

Katrina Pierson
320-293-8388

Agreement for Services

This Agreement is made and entered into as of **June 2, 2025**, by and between **Pierson Henry, LLC** ("Consultant") and the Grand Rapids Economic Development Authority, c/o Rob Mattei, Director of Community Development ("Client").

1. Scope of Work

Consultant agrees to perform the services outlined in the proposal titled "*Pierson Henry Proposal 6-2-25*", submitted to the Client on 6-2-25 and attached with this contract.

2. Terms

Phase 1 ("Getting Set") will begin in **July 2025** and conclude in **October 2025**

Phase 2 ("The Launch") will begin in **November 2025** and conclude in **July 2026**, unless extended by mutual written agreement

3. Compensation & Expenses

Client agrees to compensate Consultant as follows:

Phase 1 Total Fee: \$41,500

50% (\$20,750) due upon execution of this agreement

50% (\$20,750) due upon completion of all Phase 1 deliverables

Phase 2 Ongoing Fee: \$4,200/month

Invoiced monthly beginning **November 2025 through July 2026**

If additional phases or services are requested outside the original scope, Consultant will submit a separate proposal and fee estimate for Client approval.

Any necessary travel, lodging, and printing expenses are not included in the above fees. Any reimbursable expenses must be approved in advance.

Item 7.

Consultant will not retain or hold any funds on behalf of the Client for any reason at any time related to the membership and fundraising work.

4. Client Responsibilities

Client agrees to:

Provide timely access to staff and volunteer leaders

Support scheduling of meetings for the purpose of collaboration

Review and provide feedback on deliverables in a timely manner

Act as a collaborative partner in all aspects of the project

5. Confidentiality

Consultant agrees to maintain the confidentiality of all information shared by the Client.

6. Intellectual Property

All final deliverables developed under this Agreement shall be the property of the Grand Rapids Economic Development Authority. Consultant may request in writing to reference the engagement in general terms for portfolio purposes. Client may approve or deny this request at its discretion.

7. Termination

Either party may terminate this Agreement with 30 days' written notice. In such case, Consultant will be compensated for completed and documented work to date.

8. Independent Contractor

Consultant is an independent contractor and is not an employee of the Client. Nothing in this Agreement shall create a partnership, joint venture, or employment relationship.

9. Entire Agreement

This Agreement represents the full understanding between the parties. Any changes must be in writing and signed by both parties. G



Katrina

Signed: Jun 2, 2025

katrina@katrinalynn.com



Rob Mattei

Signed: Jul 1, 2025

rmattei@grandrapidsmn.gov



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Consider adopting a resolution approving the acquisition of certain property owned by Glenna and John Kellin and approving the purchase agreement.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

The property located at 533 NW 4th St. (aka former Ben's Bait) has been for sale for several years. The building, which was built in 1940, is 3,340 sq. ft., and the parcel is 75'x143' (10,725 sq. ft.) Itasca County's assessed value of the building is \$50,500, and the land is valued at \$119,000, for a total EMV of \$169,500.

The property is a brownfield site. The sites contaminants were analyzed and documented by a Phase I and Phase II environmental study. The owner has indicated that they received an assurance letter from the MPCA, to protect a future owner from any liability.

In addition to the challenge of environmental conditions, the structure and parking area has fallen into a blighted state of disrepair. During our public engagement efforts in the *Highway 2 Land Use and Development Study*, this building was a source of great concern.

To advance the goal of encouraging new investment in the Hwy. 2 corridor and given the challenges this site presents, it is advisable for GREDA to purchase this site and lead the effort of removing the structure so that the site can be sold to a future new commercial development.

The general terms of the proposed purchase agreement are:

- Purchase Price: \$150,000
- Earnest Money: \$5,000
- Closing: Withing 60 days
- Contingency: Buyer's ability to purchase adjacent strip of land to the north.
- Seller seals well.

RECOMMENDATION:

REQUIRED ACTION: Make a motion to adopt a resolution approving the acquisition of certain property owned by Glenna and John Kellin and approving the purchase agreement.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING THE ACQUISITION OF CERTAIN PROPERTY OWNED BY GLENNA AND JOHN KELLIN AND APPROVING THE PURCHASE AGREEMENT

BE IT RESOLVED by the Board of Commissioners (“Board”) of the Grand Rapids Economic Development Authority (“Authority”) as follows:

Section 1. Recitals.

1.01. The Authority has established its Development District No. 1 (the “Development District”) within the City of Grand Rapids, Minnesota (the “City”).

1.02. The Authority desires to acquire certain property owned by Glenna and John Kellin (collectively, the “Seller”), located in the City, and legally described as set forth in Exhibit A attached hereto (the “Property”).

1.03. In connection with purchasing the Property from Seller, the Authority wishes to enter into that certain Purchase Agreement between the Authority and the Seller for the purchase and sale of the Property (the “Purchase Agreement”) in substantially the form presented to the Board.

1.04. The Board held a duly noticed public hearing regarding the proposed acquisition of the Property.

1.05. The Board has determined that the acquisition of the Property is in the best interest of the City and its residents.

Section 2. Purchase of Property Approved; Further Proceedings.

2.01. The Board approves the Purchase Agreement in substantially the form presented to the Board, together with any related documents necessary in connection therewith, including without limitation all documents, exhibits, certifications, or consents referenced in or attached to the Purchase Agreement including without limitation the deed and any documents required by the title company relating to the acquisition of the Property (the “Conveyance Documents”). The Board hereby approves the acquisition of the Property from the Seller in accordance with the terms of the Purchase Agreement.

2.02. The Board hereby authorizes the President and Executive Director, in their discretion and at such time, if any, as they may deem appropriate, to execute the Conveyance Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority’s obligations thereunder when all conditions precedent thereto have been satisfied provided that the closing statement and closing certificates may be signed solely by the Executive Director. The Conveyance Documents shall be in substantially the form on file with the Authority and the approval hereby given to the Conveyance 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 Authority 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 Authority. The execution of any instrument by the appropriate officers of the Authority 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 Conveyance Documents shall not be effective until the date of execution thereof as provided herein.

2.03. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Purchase Agreement as a whole, including without limitation execution of the Conveyance Documents.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this _____ day of _____, 2026.

President

ATTEST:

Secretary

EXHIBIT A

Legal Description of Property

Address: 533 NW 4th Street, Grand Rapids, Minnesota

PID: #91-420-1940

Legal Description: Lots 13-15, Block 19, Grand Rapids 2nd Division, Section 20, Township 55, Range 25

PURCHASE AGREEMENT

This Purchase Agreement (“Agreement”) is made this _____ day of _____, 2026, by and between Glenna M. Kellin and John Kellin, a married couple (collectively, “Seller”), and the Grand Rapids Economic Development Authority, a public body politic and corporate under the laws of the State of Minnesota (“Buyer”).

1. **PROPERTY.** Seller is the owner of property located at 533 NW 4th Street, in the City of Grand Rapids, Minnesota, consisting of approximately 0.2 acres (10,725 square feet +/-) as determined by an ALTA survey (the “Survey”), which is legally described on the attached Exhibit A (“Property”).

2. **OFFER/ACCEPTANCE.** In consideration of and subject to the terms and provisions of this Agreement, Buyer offers and agrees to purchase and Seller agrees to sell and hereby grants to Buyer the exclusive right to purchase the Property and all improvements thereon, together with all appurtenances. All fixtures, improvements, and personal property located on the Property on the date of this Agreement are included in the purchase of the Property.

3. PURCHASE PRICE FOR PROPERTY AND TERMS.

a. **PURCHASE PRICE:** The total purchase price for the Property is: One Hundred Fifty Thousand and no/100 Dollars (\$150,000.00), based upon \$13.99 per square foot of land (“Purchase Price”). The Purchase Price is predicated upon the assumption that the Property consists of 10,725 square feet, +/- . “Square Feet” shall mean the gross square footage of the Property less existing dedicated roads and easements and areas classified as waterways. The Purchase Price may be adjusted based upon final determination of the Square Feet as shown on the Survey.

b. TERMS:

i. **Earnest Money.** The sum of Five Thousand and no/100 Dollars (\$5,000.00) earnest money (the “Earnest Money”) shall be deposited into an escrow account by Buyer with The Title Team (the “Title Company”) within five (5) business days after mutual execution of this Agreement. The Earnest Money shall become nonrefundable upon expiration of the Due Diligence Period, as extended pursuant to Section 7, unless there is a breach of this Agreement by the Seller or Seller is unable to deliver marketable title to the Property. In the event that Seller breaches the terms of this Purchase Agreement or Buyer shall terminate this Agreement prior to expiration of the Due Diligence Period (as hereinafter defined), the Title Company shall refund the Earnest Money to the Buyer within three (3) business days.

ii. **Balance Due to Seller.** Buyer agrees to pay by check or wire transfer on the Closing Date (as hereinafter defined) the remaining balance due on the Purchase Price according to the terms of this Agreement.

4. **DEED/MARKETABLE TITLE:** Seller agrees to execute and deliver a General Warranty Deed conveying marketable fee simple title to the Property to Buyer, free and clear of

any mortgages, liens or encumbrances, subject only to the following exceptions:

- i. Building and zoning laws, ordinances, state and federal regulations;
- ii. Reservation of minerals or mineral rights to the State of Minnesota, if any;
- iii. The lien of real estate taxes and special assessments not yet due and payable;
- iv. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property; and
- v. Other matters created by or acceptable to or waived by Buyer pursuant to Section 8 below.

5. **DOCUMENTS TO BE DELIVERED AT CLOSING BY SELLER.** In addition to the General Warranty Deed required at Section 3 above, Seller shall deliver to Buyer at closing:

- a. An affidavit from Seller sufficient to remove any exception in Buyer's policy of title insurance for mechanics' and materialmen's liens arising due to the act or omission of Seller and rights of parties in possession;
- b. A Bill of Sale, Assignment and Assumption, in the form attached hereto as Exhibit B;
- c. A "bring-down" certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date;
- d. Affidavit of Seller confirming that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- e. A well disclosure certificate and a statement that Seller does not know of any wells on the Property other than the well disclosed in the well disclosure certificate;
- f. Any notices, certificates, and affidavits regarding any private sewage systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and
- g. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Agreement.

6. **CONTINGENCIES.** Buyer's obligation to purchase the Property is contingent upon the following (collectively, "Buyer's Contingencies"):

- a. Approval of this Purchase Agreement by Buyer's governing body;

- b. Buyer shall have confirmed satisfactory condition of title;
- c. Buyer shall have received a satisfactory ALTA/ACSM survey of the Property and improvements, if any (at Buyer's sole cost and expense);
- d. Buyer shall have received satisfactory environmental reports including, but not limited to, a Phase I report and all necessary closure and no association letters from respective government agencies, if applicable (at Buyer's sole cost and expense) and is satisfied with the condition of the Property;
- e. Buyer shall have confirmed that the geotechnical characteristics of the Property are satisfactory, based on soil borings to be taken and analyzed by Buyer's geotechnical consultant (at Buyer's sole cost and expense);
- f. Buyer's ability to contemporaneously purchase the parcel adjacent to the Property in the City located as described in Exhibit C attached hereto along with satisfactory cross access and other appropriate easements benefiting both parcels, on or before the Closing Date; and
- g. Buyer's determination of marketable title pursuant to Section 8 of this Agreement.

7. DUE DILIGENCE.

- a. **Due Diligence Period.** Buyer shall have one hundred twenty (120) days from the date of this Agreement to satisfy or waive the foregoing contingencies (the "Due Diligence Period"). These contingencies are solely for the benefit of Buyer and may be waived by Buyer. If Buyer determines, in its sole discretion, that any of Buyer's Contingencies have not been satisfied, Buyer shall have the right to terminate this Agreement and receive a full refund of any earnest money paid. Buyer reserves the right to waive any and all Buyer's Contingencies. If all contingencies are duly satisfied or waived, Buyer or its attorney shall give written notice to Seller thereof prior to the expiration of the Due Diligence Period, and Buyer and Seller shall proceed to close the transaction as contemplated herein.
- b. **Due Diligence Period Extension.** Buyer shall have the right to extend the Due Diligence Period with written notice to Seller for up to an additional sixty (60) days if necessary to obtain all necessary governmental approvals. If the extension of the Due Diligence Period is exercised, the Earnest Money will become non-refundable.
- c. **Seller's Due Diligence Deliverables.** The Seller shall provide the Buyer with the following, to the extent available and in Seller's possession or control: (1) any existing surveys; (2) any existing property condition assessments, (3) any existing Phase I and Phase II environmental assessments; (4) information regarding any underground or above ground storage tanks on the Property; and (5) any title commitments previously obtained by the Seller for the Property (collectively defined as the "Deliverables"). The Seller shall deliver the requested Deliverables to the Buyer within five business days of mutual execution of this Agreement. Buyer hereby acknowledges that, except as expressly set forth in this Agreement, Seller has not made nor

makes any warranty or representation regarding the truth, accuracy or completeness of the Deliverables or the source(s) thereof. Seller expressly disclaims any and all liability for representations or warranties, express or implied, statements of fact and other matters contained in such Deliverables, except for statements of fraud or misrepresentations expressly made by Seller in such Deliverables. Buyer shall rely solely upon its own investigation with respect to the Property, including, without limitation, the Property's physical, environmental or economic condition, compliance or lack of compliance with any ordinance, order, permit or regulation or any other attribute or matter relating thereto. Seller has not undertaken any independent investigation as to the truth, accuracy or completeness of the Deliverables and is providing the Deliverables solely as an accommodation to Buyer.

d. **Buyer's Inspections.** The Buyer shall be responsible for the costs of any environmental assessments and inspections and Buyer may enter the Property to conduct such assessments and inspections. Buyer shall (i) keep the Property free of any liens or third-party claims resulting from such assessments and inspections and/or from any other investigations, inspections, studies or testing of Property conducted by or on behalf of Buyer under the terms of this Agreement; (ii) defend, indemnify and hold Seller harmless from and against any and all liability, damages, claims, causes of action, costs or other expenses, including without limitation reasonable attorney's fees, paid, incurred or asserted against Seller in connection with any such liens or third-party claims and/or for injuries to or death of persons or damage to property arising from or caused by Buyer's entry onto the Property or the conduct of Buyer, its agents, employees and contractors in connection with the exercise by Buyer of the rights hereunder; provided, however, Buyer shall not be liable to Seller for any loss or damages caused by Seller, or Seller's agents', contractors' or employees' negligence; and (iii) if the Closing does not occur for any reason, fully restore the Property to its condition immediately before such exercise.

e. **Termination Right.** If Buyer or its attorney gives written notice to Seller prior to the expiration of the Due Diligence Period that one or more of the contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and the title company shall return the Earnest Money to Buyer, and Buyer and Seller shall execute and deliver to each other documentation effecting the termination of this Agreement. Buyer shall also deliver to Seller copies of all documentation gathered during the Due Diligence Period, including without limitation all survey, environmental or soil tests. As a contingent Purchase Agreement, the termination of this Agreement pursuant to this Section 7 is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

8. **TITLE EXAMINATION/CURING TITLE DEFECTS.** Buyer shall, at its expense and within a reasonable time after Seller's acceptance of this Agreement, obtain a commitment for title insurance ("Commitment") for the Property. The Buyer shall have 14 days from the date of receipt of the title commitment to make any objections to title to the Seller. The Seller shall have 10 days to confirm whether it will be able to remove the objections on or prior to closing and if not, which of the objections it is unwilling to remove, provided, however, the Seller must satisfy any mortgages, monetary liens, or other monetary encumbrances arising due to the act or omission of Seller on or prior to the Closing Date. The Buyer shall have five days from the date of the Seller's response to either waive its title objections which the Seller is unwilling to

remove or to terminate the Purchase Agreement. If Buyer has failed to affirmatively elect to terminate this Agreement within said five day period, Buyer shall be conclusively deemed to have elected to have waived its title objections and Buyer and Seller shall proceed to close the transaction as contemplated herein, without any abatement or reduction in the Purchase Price on account thereof.

9. **ENVIRONMENTAL INVESTIGATIONS.** Buyer acknowledges that it has been authorized by Seller to enter the Property and conduct environmental and engineering investigations of the Property, subject and in accordance with the provisions of Section 7 and Section 14.

10. **REAL ESTATE TAXES AND SPECIAL ASSESSMENTS.** Seller shall pay all real estate taxes, interest and penalties, if any, relating to the Property for the years prior to the year of closing. Provided that this transaction shall close as provided herein, Buyer agrees to pay taxes for the year following the year of closing and all taxes for years thereafter. Seller and Buyer shall prorate all taxes for the year of closing based on the Closing Date. Seller acknowledges that there are no current or pending special assessments on the Property. To the extent there are any current or pending special assessments, including any assessment due and payable upon commencement of ownership, Seller shall be obligated to pay said assessments in full as of the Closing Date.

11. **CLOSING.** The date of closing shall be within sixty (60) days after satisfaction or waiver of all Buyer's Contingencies provided that in no event may the closing occur after 120 days from the date hereof ("Closing Date"). Delivery of all papers and the closing shall be made at the offices of the Title Company or at such other location as is mutually agreed upon by the parties. All deliveries and notices to Buyer shall be made as provided in Section 17 of this Agreement. The Buyer shall be responsible for the following closing costs: (1) recording fees and charges related to the filing of the deed; (2) all premiums required for the issuance of a title insurance policy and any endorsements; (3) one-half of the closing fee charged by the Title Company; (4) the cost of the Title Commitment and any title search and examination fees; and (5) its own legal and accounting fees associated with this transaction. The Seller shall be responsible for the following closing costs: (1) all recording fees and charges relating to the filing of any instrument required to make title marketable, subject and in accordance with the provisions of Section 8; (2) any Minnesota state deed tax, conservation fee, or other federal, state, or local documentary or revenue stamps or transfer tax with respect to the deed to be delivered by the Seller; (3) one-half of the closing fees charged by the Title Company; and (4) its own legal and accounting fees associated with this transaction. Any real estate taxes shall be prorated between the Buyer and the Seller as of the Closing Date.

12. **POSSESSION/UTILITIES.**

a. **Possession.** Seller agrees to deliver possession of the Property free of all personal property, junk, and debris to Buyer not later than the Closing Date.

b. **Utilities.** Seller shall pay all utility charges, if any, prior to the Closing Date.

13. **SELLER'S WARRANTIES.** Seller, jointly and severally, hereby represents and warrants to Buyer and Seller will represent and warrant to Buyer as of the Closing Date that:

a. **Title.** Seller represents and warrants that Seller has good and marketable fee simple title interest to the Property and that no consents or approvals from any third parties are required to convey the Property.

b. **Sewer and water.** Seller warrants that the Property is connected to City sewer and is connected to City water.

c. **Mechanics' Liens.** Seller warrants that, prior to the closing, Seller shall pay in full or make provision for payment of all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration or repair of any structure upon or improvement to the Property caused by or resulting from any action of Seller.

d. **Notices.** Seller warrants that Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.

e. **Tenants.** Seller warrants that there are no tenants or third parties in possession of the Property. During the term of this Agreement, the Seller agrees not to enter into any leases for the Property or to allow anyone to occupy the Property.

f. **Broker Commission.** Seller has utilized the services of Jeff Dick, Edge of The Wilderness Realty as a real estate broker, in connection with the transaction contemplated by this Purchase Agreement, and that no other broker, agent, or representative has been engaged or shall be entitled to any commission in connection with such transaction. Seller shall be responsible for compensating its real estate broker and paying any commission due. Seller agrees to indemnify, defend and hold Buyer harmless from the claims of any broker, real estate agent or similar party claiming through Seller.

g. **Condemnation.** Seller warrants that there is no pending or threatened condemnation, eminent domain, public taking, or similar proceeding affecting the Property or any portion thereof, and Seller has no actual knowledge that any such action is contemplated.

h. **Legal Proceedings.** There are no legal actions, suits or other legal or administrative proceedings, pending or threatened, that affect the Property or any portion thereof, and Seller has no knowledge that any such action is presently contemplated.

i. **Legal Capacity.** Seller has the legal capacity to enter into this Agreement. Seller has not filed, voluntarily or involuntarily, for bankruptcy relief within the last year under the United States Bankruptcy Code, nor has any petition for bankruptcy or receivership been filed against Seller within the last year.

j. **Methamphetamine Production.** To the best of Seller's knowledge,

methamphetamine production has not occurred on the Property.

k. **Wells, Private Septic Systems, and Storage Tanks.** Seller represents and warrants that Seller has disclosed to Buyer private wells located on or serving the Property and that, to Seller's knowledge, there are no private wells, septic systems and underground or above ground storage tanks, located on or serving the Property other than one private well that has been sealed prior to the Effective Date. Seller shall deliver to Buyer copies of all well records, permits, closure reports, water test results, and related documentation in Seller's possession or control. Buyer's acceptance of the Property is conditioned on Buyer's satisfactory review of the condition, status, and documentation of the private well, including the sealed well, during the applicable inspection period. Seller shall deliver a well disclosure certificate on or prior to the Closing Date.

l. **Hazardous Materials.** Except as disclosed in the report described in Exhibit D attached hereto, Seller represents and warrants that there are no hazardous wastes or materials on or under the Property, no notices have been received from any federal, state, local, or other governmental agency relating to hazardous materials or environmental conditions, and Seller shall indemnify and hold harmless Buyer and its employees, agents, and members from and against any and all loss, costs, damages, expenses, obligations and attorneys' fees incurred by Buyer as a result of any breach of this representation.

m. **Special Assessments.** No ordinance or hearing is now before any local governmental body which either contemplates or authorizes any public improvements or special tax levies, the cost of which may be assessed against the Property.

n. **Liens and Encumbrances.** The Property will as of the date of closing be free and clear of all mortgages, liens, security interests, encumbrances, leases or other restrictions except encumbrances permitted by Buyer. There are no third parties in possession of the Property.

o. **Violations.** There are no notices, orders, suits, judgments or other proceedings relating to fire, building, zoning, air pollution or health violations that have not been corrected.

Seller's representations and warranties set forth in this paragraph shall be continuing and are deemed to be material to Buyer's execution of this Agreement and Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing for a period of five (5) years (the "Survival Period"), and shall not be affected by any investigation, verification or approval by any party hereto or by anyone on behalf of any party hereto. Seller agrees to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations and attorneys' fees incurred should an assertion, claim, demand or cause of action be instituted, made or taken, on the basis of breach of the representations or warranties contained herein; provided that any such claim, demand or cause of action based on a breach of any such representations or warranties shall be commenced prior to the expiration of the Survival Period, if ever or shall be deemed hereby waived.

14. **INSPECTIONS.** From the date of this Agreement to the Closing Date, Buyer, its agents, contractors, and employees shall have the right to enter upon the Property at any time in order to conduct soil, environmental, surveying, and other reasonable engineering tests, investigations, soil borings, monitoring and testing of groundwater monitoring wells, and to conduct a survey; provided that any such invasive drilling, monitoring, sampling and/or testing shall require Seller's written consent which shall not be unreasonably withheld, conditioned or delayed. Buyer shall also be entitled to a general walkthrough inspection within five days of the Closing Date.

15. **RISK OF LOSS.** If there is any loss or damage to the Property between the date hereof and the Closing Date, for any reason including fire, vandalism, flood, earthquake or act of God, the risk of loss shall be on Seller. If the Property is destroyed or substantially damaged before the Closing Date, this Agreement shall become null and void, at Buyer's option. At the request of Buyer, Seller agrees to sign a cancellation of Purchase Agreement.

16. **DEFAULT/REMEDIES.** If Buyer defaults under this Agreement, Seller has the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within thirty (30) days of the date of such notice, Seller may terminate this Agreement and retain the Earnest Money as Seller's liquidated damages, time being of the essence of this Agreement. The termination of this Agreement (and retention of the Earnest Money) will be the sole remedies available to Seller for such default by Buyer, and Buyer will not be further liable for damages. If Seller defaults under this Agreement, Buyer has the right to terminate this Agreement by giving written notice of such election to Seller, which notice shall specify the default. If Seller fails to cure such default within 30 days of the date of such notice, Buyer shall have the right (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money), or (ii) to enforce and recover from Seller specific performance of this Agreement; provided, that any such action for specific performance shall be commenced within six months after default, if ever or shall be deemed hereby waived. The termination of this Agreement (and refund of the Earnest Money), or the enforcement and recovery from Seller of specific performance of this Agreement shall be the sole remedies available to Buyer for such default by Seller, and Seller shall not be further liable for damages. The service of the statutory notice under Minnesota Statutes Section 559.21 shall be sufficient to comply with the notice requirements of this Section 16.

17. **NOTICE.** Any notice, demand, request or other communication which may or shall be given or served by the parties, shall be deemed to have been given or served on the date the same is emailed or personally served upon one of the following indicated recipients for notices or is deposited in the United States Mail, postage prepaid and addressed as follows:

SELLER: Glenna M. Kellin and John Kellin

With a copy to:

Jeff Dick

EOW Realty
 501 Pokegama Ave S
 Suite 102
 Grand Rapids, MN 55744
 Jeff@EOWRealty.com

BUYER: Grand Rapids Economic Development Authority
 Attn: Rob Mattei
 402 N. Pokegama Ave.
 Grand Rapids, MN 55744

With a copy to:

Kutak Rock LLP
 Attn: Gina Fiorini, Esq.
 60 South Sixth Street Suite 3400
 Minneapolis, MN 55402

18. **ENTIRE AGREEMENT.** This Agreement, including exhibits attached hereto, and any amendments hereto signed by the parties, shall constitute the entire agreement between Seller and Buyer and supersedes any other written or oral agreements between the parties relating to the Property. This Agreement can be modified only in a writing properly signed on behalf of Seller and Buyer.

19. **SURVIVAL.** Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement which are expressly stated herein to be performed after the closing shall survive closing, subject to the limitations set forth herein. Upon any termination of this Agreement subject to and in accordance with the terms hereof, and neither party shall have any further obligations to the other hereunder, except for the obligations hereunder which, by the express terms hereof, are intended to survive termination of this Agreement.

20. **BINDING EFFECT; ASSIGNMENT.** This Agreement binds and benefits the parties and their successors and assigns; provided, however, neither party shall assign this Agreement or its rights hereunder to any person or entity, without the written consent of the other party, except Buyer may assign this Agreement to any affiliate, to any entity controlled by or under common control as Buyer, or in connection with any financing obtained by Buyer, without obtaining Seller's prior consent.

21. **PARTIAL INVALIDITY.** If any one or more of the provisions contained in this Agreement shall for any reason be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

22. **COUNTERPARTS; FAX AND PDF SIGNATURES.** This Agreement may be executed in counterparts, each of which shall be deemed an original and all of which together shall constitute one and the same instrument. Signature pages of this Agreement transmitted to any party via facsimile or Portable Document Format (PDF) shall be deemed to be originals for all purposes hereunder.

23. **HEADINGS.** The headings of the Sections, subsections, paragraphs and subparagraphs hereof are provided for convenience of reference only, and shall not be considered in construing their contents.

24. **TIME PERIODS.** Any and all references in this Agreement to time periods which are specified by reference to a certain number of days refer to calendar days, unless “business days” is otherwise expressly provided. However, if (a) the last date by which the Closing is permitted to occur hereunder, or (b) any date by which a party is required to provide the other party with notice hereunder, occurs on a Saturday or a Sunday or a banking holiday in the jurisdiction where the Property is located, then and in any of such events, such applicable dates shall be deemed to occur, for all purposes of this Agreement, on that calendar day which is the next, succeeding day, which is not a Saturday, Sunday or banking holiday.

25. **NO PARTNERSHIPS.** Nothing in this Agreement shall be deemed in any way to create between the parties any relationship of partnership, joint venture or association, and the parties disclaim the existence thereof.

26. **WAIVERS.** No party shall be deemed to have waived the exercise of any right which it holds hereunder unless such waiver is made expressly and in writing (and no delay or omission by any party hereto in exercising any such right shall be deemed a waiver of its future exercise). No such waiver made as to any instance involving the exercise of any such right shall be deemed a waiver as to any other such instance, or any other such right.

27. **DATA PRACTICES ACT.** The Parties acknowledge that this Agreement is subject to the requirements of Minnesota’s Government Data Practices Act, Minnesota Statutes, Section 13.01 et seq.

28. **BROKERS.** Buyer is represented by Stephen Welliver of Wellson Group, Inc. Seller is represented by Jeff Dick of Edge of The Wilderness Realty. Buyer shall be responsible for paying its broker’s fee. Seller shall be responsible for paying Seller’s broker’s fee. Each party agrees to indemnify, defend and hold the other party harmless from the claims of any other broker, real estate agent or similar party claiming through such indemnifying party.

29. **EXCLUSIVITY.** Seller agrees that during the term of this Agreement: (a) Seller will not initiate, encourage the initiation by others of discussions or negotiations with third parties, or respond to solicitations by third parties, relating to the purchase of the Property in whole or in part; (b) Seller will immediately notify Buyer if any third party attempts to initiate any such solicitation, discussion or negotiation with Seller; and (c) Seller will not enter into any agreement with respect to the Property with any third party. Seller hereby agrees that Seller shall be legally bound by the provisions of this Section 30 and Seller’s violation of this Section 30 will cause

irreparable injury to Buyer.

30. **RELOCATION BENEFITS; INDEMNIFICATION.** Seller acknowledges that it is not being displaced from the Property as a result of the transaction contemplated by this Agreement and that it is not eligible for relocation assistance and benefits or in the event that Seller is eligible for relocation assistance and benefits, that the Purchase Price includes compensation for any and all relocation assistance and benefits for which Seller may be eligible. The provisions of this paragraph shall survive closing of the transaction contemplated by this Agreement.

(The remainder of this page intentionally left blank.)

IN WITNESS WHEREOF, the undersigned have executed this Agreement on the date and year above.

Buyer:

Grand Rapids Economic Development
Authority

By: _____
Its: President

By: _____
Its: Executive Director

Seller:

Glenna M. Kellin and John Kellin

By: _____
Glenna M. Kellin

By: _____
John Kellin

EXHIBIT ALegal Description of Property

Address: 533 NW 4th Street, Grand Rapids, Minnesota as shown in the picture below.

PID: #91-420-1940

Legal Description: Lots 13-15, Block 19, Grand Rapids 2nd Division, Section 20, Township 55, Range 25

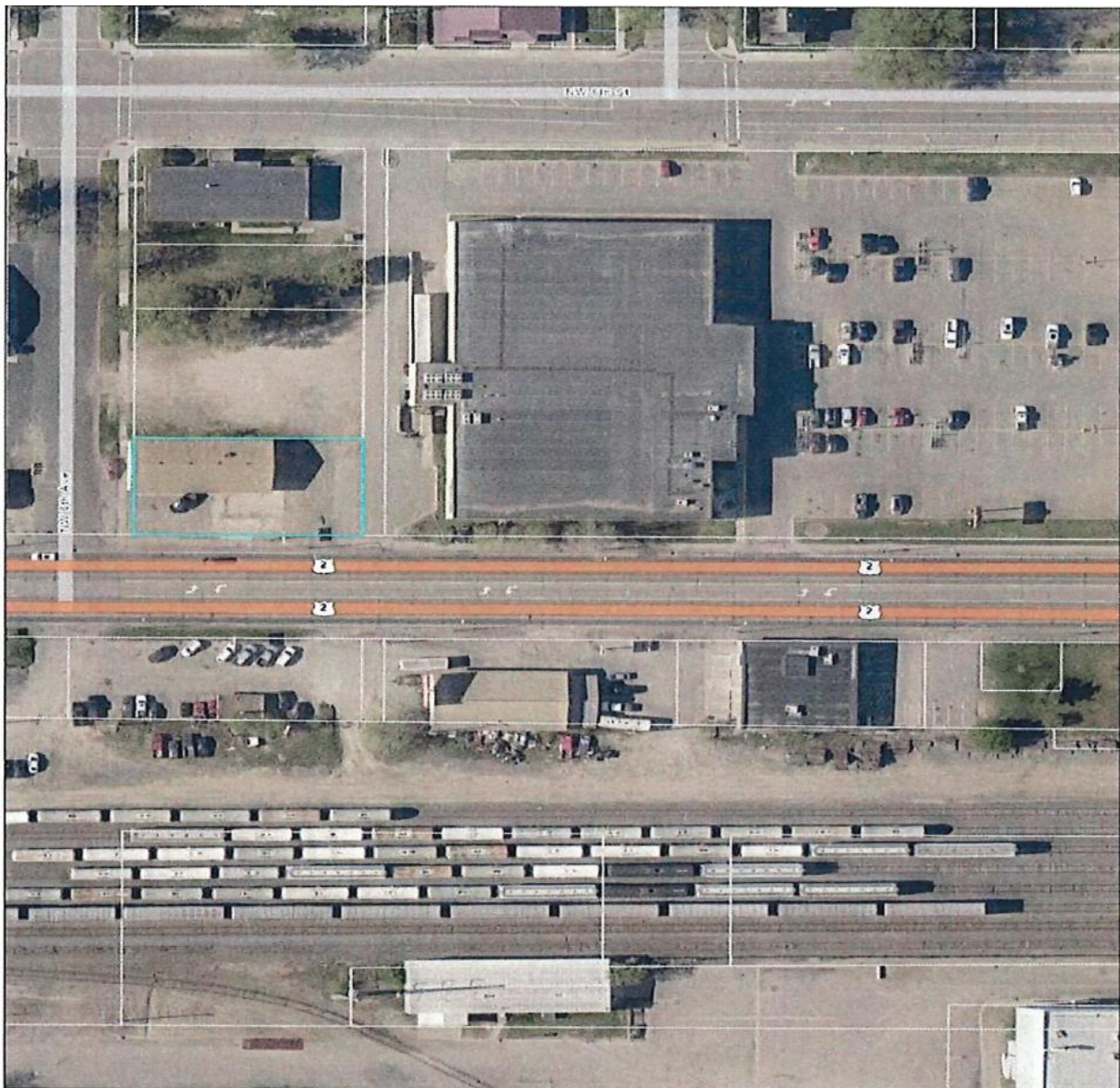


EXHIBIT B

Bill of Sale, Assignment and Assumption

This Bill of Sale, Assignment and Assumption (this “Bill of Sale”) is made as of the ____ day of _____, 2026, by and between Glenna M. Kellin and John Kellin, a married couple (collectively, “Assignor”), and the Grand Rapids Economic Development Authority, a public body politic and corporate under the laws of the State of Minnesota (“Assignee”).

WITNESSETH:

For good and valuable consideration, receipt and sufficiency of which are hereby acknowledged, Assignor and Assignee hereby agree as follows:

Assignor hereby sells, transfers, assigns and conveys to Assignee the following:

1. All right, title and interest of Assignor in and to all improvements, buildings, facilities, and tangible personal property owned by Assignor (“Personalty”) and located on and used in connection with the development, use, management, maintenance or operation of that certain land and improvements located at the properties described in Exhibit A, attached hereto and made a part hereof (“Real Property”).

2. This Bill of Sale is given pursuant to that certain Purchase and Sale Agreement dated as of _____, 2026, between Assignor and Assignee (the “Purchase Agreement”), providing for, among other things, the conveyance of the Personalty. All capitalized terms herein which are not otherwise defined herein shall have the same meaning as set forth in the Purchase Agreement.

3. Assignee hereby accepts the assignment of the Personalty and agrees to assume and discharge, in accordance with the terms thereof, all of the obligations of Assignor thereunder from and after the date hereof.

4. This Bill of Sale shall be construed and enforced in accordance with, and governed by, the laws of the State of Minnesota.

5. This Bill of Sale shall bind and inure to the benefit of the parties hereto and their respective heirs, executors, personal representatives, successors, and assigns.

6. Assignor and Assignee hereby agree to execute such other and further assurances as Assignor or Assignee may from time to time reasonably deem necessary or appropriate to assure the validity, enforceability, and effective assignment and transfer of the Personalty.

7. This Bill of Sale may be executed in any number of counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Bill of Sale, Assignment and Assumption as of the date first above written.

Assignee:

Assignor:

Grand Rapids Economic Development
Authority

Glenna M. Kellin and John Kellin

By: _____
Its: President

By: _____
Glenna M. Kellin

By: _____
Its: Executive Director

By: _____
John Kellin

EXHIBIT C

Description of Contingency Property

DESCRIPTION OF PROPOSED PROPERTY

Lot 16 and the South 14.00 feet of Lot 17, Block 19, GRAND RAPIDS SECOND DIVISION, according to the recorded plat thereof, Itasca County, Minnesota.

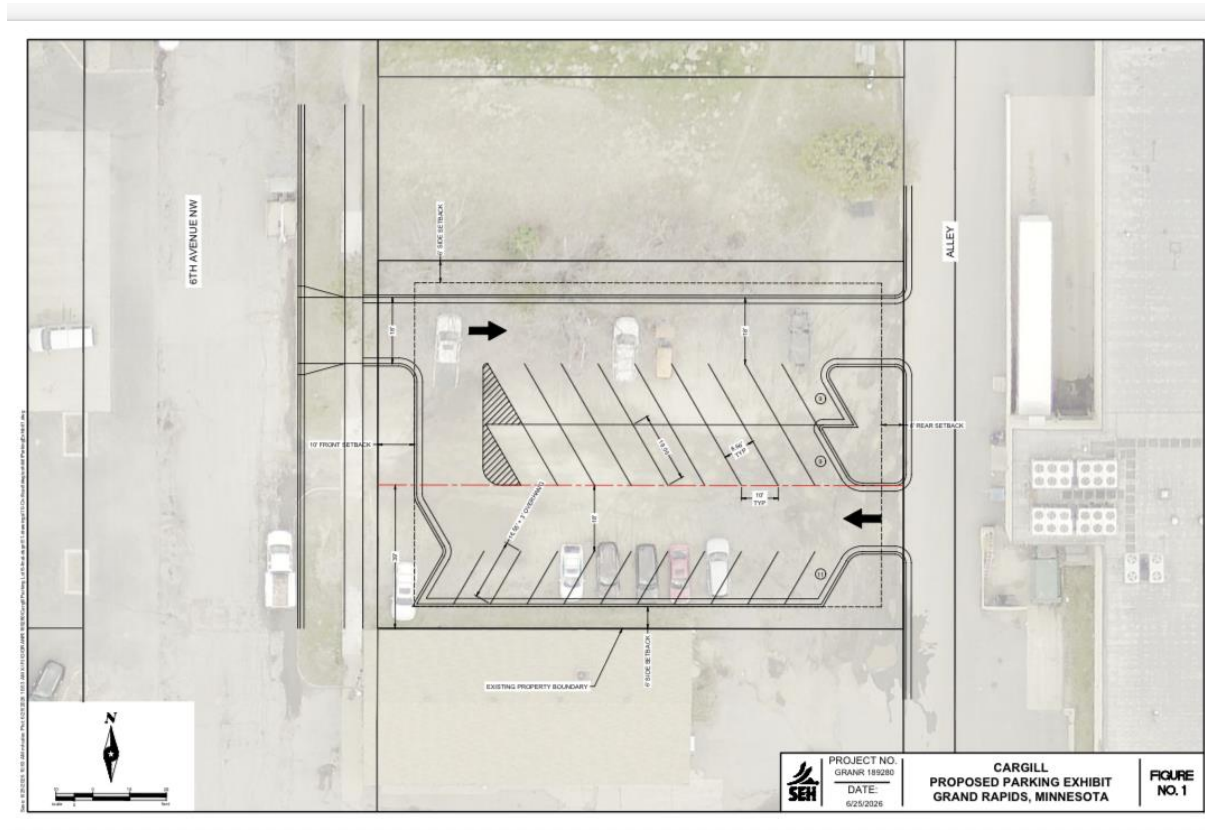


EXHIBIT D

[LIST ENVIRONMENTAL REPORT]



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Consider adopting a resolution authorizing internal loan for advance of certain costs in connection with a tax increment financing district for property located at 533 NW 4th St.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

Minnesota Statute 469.178, subdivision 7 of the TIF Act authorizes the City or GREDA to loan money from any permissible fund to finance expenses that are eligible to be paid by tax increments.

The draft resolution indicates that, should the city incur costs related to a possible future TIF district up to an amount of \$175,000, that those costs will be financed on a temporary basis through an interfund loan from the City's General Reserves or the EDA's Capital Projects Fund. This interloan fund will then be reimbursed through tax increments from the property within the possible future TIF District.

RECOMMENDATION:

REQUIRED ACTION: Make a motion to adopt a resolution authorizing internal loan for advance of certain costs in connection with a tax increment financing district for property located at 533 NW 4th St.

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

**AUTHORIZING INTERNAL LOAN FOR ADVANCE OF CERTAIN COSTS IN
CONNECTION WITH A TAX INCREMENT FINANCING DISTRICT FOR
PROPERTY LOCATED AT 533 NW 4TH STREET**

WHEREAS, the City of Grand Rapids, Minnesota (the “City”) and the Grand Rapids Economic Development Authority (the “Authority”) are considering establishing a tax increment financing district in the City (the “TIF District”), pursuant to Minnesota Statutes, Sections 469.174 through 469.1794, as amended (the “TIF Act”); and

WHEREAS, the City and the Authority may incur certain costs related to the TIF District which costs may be financed on a temporary basis from available City or Authority funds; and

WHEREAS, pursuant to Section 469.178, subdivision 7 of the TIF Act, the City and the Authority are authorized to advance or loan money from any fund from which such advances may be legally made in order to finance expenditures that are eligible to be paid with tax increments under the TIF Act; and

WHEREAS, the City and the Authority have determined to pay for certain costs of the proposed TIF District including acquisition, site clean-up, clearance, and closing costs relating to the property located at 533 NW 4th Street in the City formerly used as a bait shop (the “Cost Advances”) which costs may be financed on a temporary basis from any City or Authority funds available for such purposes as an interfund loan pursuant to Section 469.178, subdivision 7 of the TIF Act; and

WHEREAS, the City hereby designates the Cost Advances as an interfund loan in accordance with the terms of this resolution and the TIF Act; and

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

1. The City will reimburse itself or the Authority for the Costs Advances described herein in an aggregate amount not to exceed the greater of \$175,000 or the adopted and, if applicable, Tax Increment Financing Plan budget for the TIF District (the “Interfund Loan”) together with interest at the rate stated below. Interest accrues on the principal amount from the date of each advance. The maximum rate of interest permitted to be charged is limited to the greater of the rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 as of the date the loan or advance is authorized, unless the written agreement states that the maximum interest rate will fluctuate as the interest rates specified under Minnesota Statutes, Section 270C.40 or Section 549.09 are from time to time adjusted. The interest rate shall be 7.00% and will not fluctuate.

2. Principal and interest (the “Payments”) on the Interfund Loan shall be paid semiannually on each February 1 and August 1 (each a “Payment Date”), commencing on the first Payment Date on which the City or the Authority has received Available Tax Increment (defined below), or on any other dates determined by the Director of Finance of the City, through the date of last receipt of tax increment from the TIF District (the “Maturity Date”).

3. Payments on the Interfund Loan will be made solely from the tax increment from the TIF District received by the Authority or the City from Itasca County, Minnesota in the 6-month period before

any Payment Date, net of the amount paid under any agreement with a private developer or otherwise pledged to the payment of any obligation (the “Available Tax Increment”). Payments shall be applied first to accrued interest, and then to unpaid principal, unless otherwise specified by the Director of Finance. Interest accruing from the Loan Date will be compounded semiannually on February 1 and August 1 of each year and added to principal, unless otherwise specified by the Director of Finance. Payments on this Interfund Loan may be subordinated to any outstanding or future bonds, notes, or contracts secured in whole or in part with available tax increment and are on a parity with any other outstanding or future interfund loans secured in whole or in part with available tax increment.

4. The principal sum and all accrued interest payable under this resolution is pre-payable in whole or in part at any time by the Authority without premium or penalty.

5. This resolution is evidence of an internal borrowing by the Authority or the City in accordance with Section 469.178, subdivision 7 of the TIF Act, and is a limited obligation payable solely from Available Tax Increment pledged to the payment hereof under this resolution. The Interfund Loan shall not be deemed to constitute a general obligation of the State of Minnesota or any political subdivision thereof, including, without limitation, the Authority or the City. Neither the State of Minnesota nor any political subdivision thereof shall be obligated to pay the principal of or interest on the Interfund Loan or other costs incident hereto except out of Available Tax Increment and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof is pledged to the payment of the principal of or interest on this Interfund Loan or other costs incident hereto. Neither the Authority nor the City shall have any obligation to pay any principal amount of the Interfund Loan or accrued interest thereon, which may remain unpaid after the termination or expiration of the TIF District.

6. The Authority or the City, as applicable, may at any time decide to forgive the outstanding principal amount and accrued interest on the Interfund Loan, in whole or in part, on any date from time to time, to the extent permissible under law.

7. The City may from time to time amend the terms of this resolution to the extent permitted by law, including without limitation amendment to the payment schedule and the interest rate; provided that the interest rate may not be increased above the maximum specified in Section 469.178, subdivision 7 of the TIF Act.

Approved by the City Council of the City of Grand Rapids, Minnesota this ____ day of _____, 2026.

Mayor

ATTEST:

City Clerk



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: July 23, 2026

STATEMENT OF ISSUE: Review and consider budget recommendations for 2027 GREDA Operating Budget and levy for Capital Projects Fund.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

The Finance Department is requesting GREDA's recommended Operating Budget for 2027. I have attached a marked up operating budget worksheet for your review. The worksheet shows the actual line-item expenditures in 2024-2025, as well as the 2026 adopted budget and a 2027 proposed budget, under which I have entered my suggestions.

The balance of our Operating Budget is expected to be somewhere around \$25,000 by the end of this year, so it won't be necessary in this budget request to dedicate a portion of the City's levy for GREDA to the Operating Budget for 2027. All the levy approved for GREDA will be placed in the Capital Projects Fund.

As provided for under §469.107, GREDA has over the last several years requested the City levy for additional monies to begin to sustain a balance in the GREDA Capital Projects Fund. Given GREDA's level of activity and recent project-related expenditures, I would recommend a request for \$125,000 to restore the Capital Projects Fund balance.

RECOMMENDATION:

Review the proposed 2027 Operating Budget, consider any amendments and pass on a recommended budget to the City Council.

REQUIRED ACTION: Pass a motion adopting a recommended 2027 Operating Budget, and a levy request of \$125,000 and direction to the Finance Department to transfer the full amount of those funds to the Capital Projects Fund

000 All Departments

	FY24 Actual Baseline YearTotal	FY25 Actual Baseline YearTotal
001800 - Encumbrances	0	0
CITY WIDE	0	0
202010 - Office Supplies		
202100 - Operating Supplies	19.5	
SUPPLIES	19.5	
403000 - Professional Services	383.85	3307.39
403010 - Accounting/Auditing Services	3155	3617.5
403040 - Legal		
403100 - Other Contracted Services	5000	
403220 - Postage/Freight	60.52	
403230 - Seminars/Meetings/Schools		21
403510 - Publishing & Advertising	300	300
403610 - General Insurance	28	22
404000 - Maintenance Contracts	45.96	
404300 - Miscellaneous Expense	19.5	43
OTHER CHARGES & SERVICES	8992.83	7310.89
EXPENDITURE ACCOUNTS	9012.33	7310.89

Undefined_Project Recurring

FY26 Actual Baseline YearTotal	FY26 Budget Adopted YearTotal	FY27 Budget Initial Department Head Request YearTotal
	150	150
	150	150
487.77	300	1000
	4000	4200
	1000	1000
	10000	10000
	250	250
300		
19	100	100
	550	550
806.77	16200	17100
806.77	16350	17250

FY28
Budget
Initial Department Head Request
YearTotal

150

150
1000
4200
1000
10000

250

100

550
17100
17250

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