



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING AGENDA

Thursday, December 14, 2023  
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, December 14, 2023 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 the November 9th, 2023 regular meeting minutes.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$991,755.34.

BUSINESS

3. Consider adopting a resolution accepting a Blandin Foundation Grant for the Downtown Organization Project
4. Consider approval of a professional service agreement with Economic Development Services, Inc. for assistance with the Downtown Organization Project.
5. 2024 GREDA Work Plan Discussion

UPDATES

ADJOURN

## MEMBERS & TERMS

Tom Sutherland - 12/31/2023 Council Representative

Tasha Connelly - 12/31/2023 Council Representative

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/27



# GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, November 09, 2023  
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, November 9, 2023 at 4:00 PM.

CALL TO ORDER

CALL OF ROLL

PRESENT

Commissioner Al Hodnik  
Commissioner Mike Korte  
President Sholom Blake  
Commissioner Tasha Connelly  
Commissioner Wayne Bruns  
Commissioner Tom Sutherland  
Commissioner Bill Martinetto

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

Approved with addition:

Consider approval of payment to Burggraf's Ace Hardware in the amount of \$128.34.

Consider approval of payment to Dorholt Tile & Home Center Inc in the amount of \$1,741.00.

APPROVE MINUTES

1. Consider approval of minutes from the October 26, 2023 regular meeting and November 6, 2023 special meeting.

Motion by Commissioner Korte, second by Commissioner Hodnik to approve the minutes from the October 26th, 2023 regular meeting and the November 6, 2023 special meeting. The following voted in favor thereof: Sutherland, Korte, Martinetto, Blake, Connelly, Bruns, Hodnik. Opposed: None, motion passed unanimously.

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$6,340.02.

Motion by Commissioner Connelly, second by Commissioner Korte to approve claims in the amount of \$6,340.02. The following voted in favor thereof: Hodnik, Bruns, Connelly, Blake, Martinetto, Korte, Sutherland. Opposed: None, motion passed unanimously.

Motion by Commissioner Hodnik, second by Commissioner Bruns to approve payment in the amount of \$128.34 to Burggraf's Ace Hardware. The following voted in favor thereof: Sutherland, Korte, Martinetto, Blake, Connelly, Bruns, Hodnik. Opposed: None, motion passed unanimously.

Motion by Commissioner Korte, second by Commissioner Connelly to approve payment in the amount of \$1,741.00 to Dorholt Tile & Home Center Inc. The following voted in favor thereof: Sutherland, Korte, Martinetto, Blake, Connelly, Bruns, Hodnik. Opposed: None, motion passed unanimously.

## BUSINESS

### 3. Review 2023 GREDA Work Plan and Discuss Upcoming Work Plan Process

The December 14th meeting will be dedicated to the 2024 work plan. Staff will send out the materials for this process.

## UPDATES

L&M- The Moyer property has closed and the other closings are set for December 17th.

Hwy 35- They have expressed interest in renting the Kent House.

## ADJOURN

There being no further business the meeting adjourned at 4:20 p.m.

## MEMBERS & TERMS

Tom Sutherland - 12/31/2023 Council Representative

Tasha Connelly - 12/31/2023 Council Representative

Mike Korte - 3/1/24

Wayne Bruns - 3/1/25

Sholom Blake - 3/1/25

Al Hodnik - 3/1/27

Bill Martinetto - 3/1/27

DATE: 12/11/2023  
 TIME: 08:31:04  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 12/14/2023

VENDOR #	NAME	AMOUNT DUE
-----		
ECONOMIC DEVELOPMENT AUTHORITY		
0718010	CITY OF GRAND RAPIDS	600.00
	TOTAL	600.00
EDA - CAPITAL PROJECTS		
0718010	CITY OF GRAND RAPIDS	4,294.00
	TOTAL	4,294.00
MISCELLANEOUS PROJECT		
0508450	EHLERS AND ASSOCIATES INC	280.00
	TOTAL MISCELLANEOUS PROJECT	280.00
AIRPORT SOUTH INDUSTRIAL PARKS		
0114200	ANDERSON GLASS	596.00
0221650	BURGGRAF'S ACE HARDWARE	170.89
0315455	COLE HARDWARE INC	141.12
1201730	LATVALA LUMBER COMPANY INC.	392.75
1415511	NORTHERN STAR COOPERATIVE SERV	552.92
1801610	RAPIDS PLUMBING & HEATING INC	898.55
1908248	SHERWIN-WILLIAMS	202.81
	TOTAL AIRPORT SOUTH INDUSTRIAL PARKS	2,955.04
L&M DISTRIBUTION CENTER		
0218115	BRAUN INTERTEC CORPORATION	1,695.50
0718010	CITY OF GRAND RAPIDS	370.63
1105530	KENNEDY & GRAVEN, CHARTERED	2,499.50
1900225	SEH	4,030.00
2009800	THE TITLE TEAM	692,072.07
	TOTAL L&M DISTRIBUTION CENTER	700,667.70
AINSWORTH FACILITY REDEVELPMNT		
0508450	EHLERS AND ASSOCIATES INC	280.00
	TOTAL AINSWORTH FACILITY REDEVELPMNT	280.00
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$709,076.74

DATE: 12/11/2023  
 TIME: 08:31:04  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

INVOICES DUE ON/BEFORE 12/14/2023

VENDOR #	NAME	AMOUNT DUE
-----		
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0221650	BURGGRAF'S ACE HARDWARE	128.34
0415650	DORHOLT TILE & HOME CENTER INC	1,741.00
0815500	HOME DEPOT CREDIT SERVICES	3,435.55
0920055	ITASCA COUNTY RECORDER	23.00
1309170	MN DEED	2,000.00
1621130	P.U.C.	94.41
2009800	THE TITLE TEAM	275,216.30
2209665	VISA	40.00
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$282,678.60
TOTAL ALL DEPARTMENTS		\$991,755.34



# REQUEST FOR GRAND RAPIDS EDA ACTION

**AGENDA DATE:** December 14, 2023

**STATEMENT OF ISSUE:** Consider adopting a resolution accepting a Blandin Foundation Grant for the Downtown Organization Project

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

**BACKGROUND:**

The recently completed Downtown planning process brought to light that Grand Rapids lacks sufficient organizational capacity to support a vibrant downtown. The establishment of that organizational capacity is a key objective of the Downtown Plan, and, therefore, a necessary first step in the short- and long-term implementation of the Plan.

The proposed project involves funding professional assistance to review successful peer markets and guide/facilitate the development of an appropriate independent and sustainable organization structure, leadership, goals, and budget for the first 3-5 years of operation.

The budget for the project is as follows:

<b>Revenue:</b>	
<i>Blandin Foundation</i>	<i>\$55,000</i>
<i>IRRR Development Partnership (not secured)</i>	<i>15,000</i>
<i>GREDA</i>	<i>15,000</i>
<b>Total:</b>	<b>\$85,000</b>
<b>Expenses:</b>	
<i>Consultant Fees</i>	<i>\$62,550</i>
<i>Tour (transportation, food, and lodging)</i>	<i>18,200</i>
<i>GREDA (in-kind)</i>	<i>4,250</i>
<b>Total:</b>	<b>\$85,000</b>

The Blandin Foundation recently awarded GREDA’s request for \$55,000. The attached resolution accepting the grant is a statutory requirement.

**RECOMMENDATION:**

**REQUIRED ACTION:** Pass a motion adopting a resolution accepting a Blandin Foundation Grant for the Downtown Organization Project

Commissioner \_\_\_\_\_ introduced the following resolution and moved for its adoption:

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
RESOLUTION NO. 23-

A RESOLUTION ACCEPTING A \$55,000.00 GRANT FROM THE BLANDIN  
FOUNDATION FOR THE DOWNTOWN ORGANIZATION PROJECT

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

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

NOW THEREFORE, BE IT RESOLVED, that the Grand Rapids Economic Development Authority, Grand Rapids, Itasca County, Minnesota, accepts the \$55,000.00 grant award from the Blandin Foundation for costs associated with the planning and establishment of a sustainable Downtown organization.

Adopted this 14<sup>th</sup> day of December 2023.

\_\_\_\_\_  
Sholom Blake, President

Attest:

\_\_\_\_\_  
Rob Mattei, Executive Director

Commissioner \_\_\_\_\_ seconded the foregoing resolution and the following voted in favor thereof: \_\_\_\_\_; and the following voted against same: \_\_\_\_\_, whereby the resolution was declared duly passed and adopted.

November 27, 2023

Rob Mattei  
Grand Rapids Economic Dev. Authority  
420 N Pokegama Ave  
Grand Rapids, MN 55744

RE: G-2023-14469

Dear Rob:

I am pleased to inform you that the Blandin Foundation approved a grant of \$55,000 to Grand Rapids Economic Dev. Authority to explore the formation and structure of a new organization focused on maintaining a vibrant and well-activated downtown Grand Rapids in Itasca County, Minnesota.


Please review this Grant Agreement for the specific terms and/or conditions of this grant. If you agree, please follow the instructions provided to electronically sign your Grant Agreement and submit to the Blandin Foundation. A copy will automatically be sent to you after signing. Please retain a copy of the Grant Agreement for your files. If you have questions about any part of this agreement, feel free to contact me or anyone else on our grants team at 218-326-0523.

The release of grant funds, in accordance with the schedule stated in the agreement, is contingent on the timely return of this signed Grant Agreement. This document should be returned to the Blandin Foundation within 30 days of the date specified on the Grant Agreement.

You will notice that the date of October 01, 2024 is inserted in the Grant Agreement for you to submit a report about the outcomes of this grant. Please let me know if this date is reasonable given other commitments you may have at that time. In addition to our interest in your work, reporting is important for the Foundation's annual audit and we appreciate your help with this portion of fulfilling the conditions of the grant.

On behalf of the Board of Trustees of the Blandin Foundation, I would like to congratulate you on receiving this award. We are pleased to be a part of this effort and look forward to hearing from you as progress is made towards achieving your goals.

Sincerely,

DocuSigned by:  
  
8D2F5B7A7259471...  
Mary Magnuson  
Program Officer

c: File



G-2023-14469

**Blandin Foundation  
Grant Agreement**

This Agreement, made and executed this 27th day of November 2023, by and between the Blandin Foundation (hereinafter referred to as “Foundation”) and Grand Rapids Economic Dev. Authority (hereinafter referred to as “Grantee”).

The Foundation agrees to make the following grant, and Grantee agrees to accept such grant, in accordance with the terms and provisions hereinafter set forth.

- I. PURPOSE AND TERMS OF THE GRANT.** The grant shall be used solely for the purposes described in the grant application submitted by Grantee, including administrative expenses necessary thereto. Except as otherwise approved in writing by the Foundation, Grantee shall perform its obligations under this Agreement. **This document must be completed and returned to the Foundation before grant funds are disbursed.**
- II. GRANT AMOUNT AND PERIOD.** The maximum amount the Foundation will disburse under this Agreement is \$55,000. Grantee shall perform this grant for the period 11/1/2023 - 8/31/2024. Disbursements under the grant are subject to compliance with the conditions of this Agreement.
- III. USE OF GRANT FUNDS.** The grant (and all income earned upon investment of the grant, hereinafter together referred to as the “grant funds”) shall be used exclusively for the purposes specified herein and approved by the Foundation, unless otherwise approved by the Foundation in writing. The following conditions apply:
- (A) Grantee has ratified and affirmed that it is an organization that is both exempt from tax under Section 501(c)(3) of the Internal Revenue Code of 1986, as amended (the “Code”) or a unit of government and classified as a *nonprivate* foundation under Sections 509(a)(1), (2) or (3) of the Code.
  - (B) Grantee will utilize the grant funds only for charitable and/or educational activities consistent with its tax-exempt or government status described above.
  - (C) Grantee agrees that it will not intervene in any campaign for elective public office, or support or oppose any political party, by expenditure of any resource (including volunteered labor) or in any other way. Grantee also agrees that it will not undertake propaganda or attempt to influence legislation outside the limits of Section 501(c)(3) of the Code or more specifically, if applicable, Sections 501(h) and 4911 of the Code.
  - (D) The grant has not been earmarked to support or carry on any lobbying. If the grant is restricted to a specific project, grantee has submitted a budget for the entire project’s operation and affirms that the project’s budget accurately reflects Grantee’s intentions to expend at least the amount of this grant on the non-lobbying portion of the project.

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- (E) Grantee agrees that the grant shall not be used to, except as otherwise provided in Section 4941(d)(2) of the Code and the regulations thereunder, make any direct or indirect transfer to, or use by or for the benefit of a disqualified person (as defined in Section 4946(a)(1) of the Code), including the payment of compensation, with respect to the Foundation.
- (F) Grantee will inform the Foundation immediately of any change in, or IRS proposal to revoke (whether or not appealed), its tax-exempt status or its *nonprivate* foundation classification.
- (G) This grant is not earmarked for transmittal to any other entity or person, even if Grantee's proposal or other correspondence expresses intentions to remit expenditures to third parties. Grantee accepts and will discharge full control of the grant and its disposition and responsibility for complying with this Agreement's terms and conditions.

**IV. GRANT APPLICATION.** The Foundation has relied on the information, representations and statements in the grant application submitted by the Grantee via the Foundation's online grant website. As such, Grantee represents and warrants that all information, representations and statements contained in its grant application are true, complete and correct in all material respects.

Furthermore, Grantee represents and warrants that it has received and reviewed certain governing policies of the Foundation, including without limitation the anti-discrimination policy. Grantee also represents and warrants that it does not engage in, nor shall it engage in, any activities that violate, or will violate, such governing policies of the Foundation, including without limitation, the anti-discrimination policy.

**V. DISBURSEMENT OF GRANT FUNDS.** The Foundation shall disburse grant funds as follows, provided that the Foundation reserves the right to delay or withhold a scheduled disbursement if progress or reporting on the project is not satisfactory or the project requires less funding than originally budgeted, as determined in accordance with the interim report(s) and final report submitted by Grantee in accordance with Section VI. Satisfactory progress will be determined at the sole discretion of the Foundation, and will be assessed as progress toward stated goals within the project timeline and receipt of timely progress and financial reports. Unsatisfactory progress will be communicated to the Grantee and a plan for addressing any deficiencies in progress will be negotiated between the Foundation and the Grantee.

**Upon receipt of the signed Agreement, this grant will be scheduled to be paid out on or about:**

**December 14, 2023    \$55,000**

Grant funds will be transferred electronically. Grantee agrees to complete a Request for Wire Transfer of Funds form provided by the Foundation with the transmittal of this Agreement.

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Grantee will be requested to return any unexpended grant funds to the Foundation at the close of the grant period, unless other arrangements have been made with the Foundation.

**VI. REPORTING REQUIREMENTS - MAINTENANCE OF RECORDS.** The Foundation will evaluate the success of the Grantee's activities on the basis of the goals that were outlined in the grant application and on a number of specific indicators the Foundation is tracking on its grants. We understand the general goals of the grant to be:

- Recruit and select an Advisory Committee representing a diversity of Downtown private and public stakeholders.
- Lead the Advisory Committee through an informative process that arrives at consensus and develops a framework for a focused and financially sustainable Downtown organization.

Grantee shall provide to the Foundation reports relating to this grant pursuant to guidelines and formats in effect at the time the report is due (these reporting requirements and formats may be changed from time to time by the Foundation at its discretion). To assist you in your evaluation work and reports to the Foundation on the progress that is being made on the grant's goals and overall to the end of accomplishing the grant's purposes, please refer to the instructions for completion of the Narrative and Grant Revenue and Expense Worksheet. A copy of these instructions, and the worksheet, can be accessed on our website at <http://grants.blandinfoundation.org/report-forms/> The schedule upon which reports will be due is as follows:

**Final Report: October 01, 2024**

**Documentation.** The Grantee agrees to maintain records consistent with generally accepted accounting principles to account for the funds received under this grant and to identify how they have been expended. Grantee agrees to maintain documentation of expenditures and activities at its own expense and at its own offices for a period of no less than six years after the expiration of the grant period. Grantee agrees to make records of such documentation available to the Foundation at reasonable times upon the Foundation's request.

**Audit.** If the Grantee has an independent opinion provided on its financial statements (i.e., an "audit") for any period in which it has received grant funds or made disbursements therefrom, Grantee agrees to provide a copy of those audited financial statements within two weeks of the acceptance of the audit by the Grantee's Board of Directors.

**VII. PUBLICITY.** To help the public gain awareness, both of this project and the Foundation's work, we request that you recognize the Foundation's contribution, where appropriate, on signage, brochures, web site or publicity you generate about your project. Please contact the Foundation's communications staff at 218-326-0523 for questions about developing public awareness of your grant or to obtain logos as you may need them.

In addition, the Foundation regularly communicates with its many stakeholders and audiences about its grant activities. As part of this effort, Foundation staff may wish to obtain additional information about and/or photograph/videotape various aspects of your

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project for use in Foundation communications tools. These may include the Foundation Web site, public reports including the annual report, news releases, brochures or other printed materials and board tours. Foundation staff would contact and coordinate with the key contact listed on the grant application to make arrangements.

- VIII. WITHHOLDING OF FUNDS - TERMINATION.** This Agreement may be terminated at any time by either party in writing. Any use by the Grantee of the grant proceeds for any purpose other than as specified herein will terminate the Foundation's obligation to make further payments under this Agreement. In addition, the Foundation may, at its sole option, terminate this Agreement at any time if:
- (A) Grantee receives notice of any proposed revocation of Grantee's tax-exempt status or reclassification to other than *nonprivate* foundation status by the Internal Revenue Service or if Grantee loses status as an organization in good standing with any State authority.
  - (B) In the Foundation's judgment, Grantee becomes unable to carry out the purposes of the grant, ceases to be an appropriate means of accomplishing the purposes of the grant, or fails to comply with conditions in this Agreement.
  - (C) The Foundation reserves the right as to any moneys not yet paid under this Agreement, to withhold payment if the Grantee fails to submit to it any report or reports required hereunder. Said withheld payment or payments may be later released, but only at the discretion of the Foundation. Upon final termination of this Agreement, the Grantee shall promptly, upon the request of the Foundation, repay to the Foundation all expected grant funds, and the Grantee shall not be entitled to any further funds under this grant.
- IX. NON-WAIVER BY CONDUCT.** The failure of either party to complain of any default by the other party or to enforce any of such party's rights, no matter how long such failure may continue, will not constitute a waiver of the party's rights under this Agreement. The waiver by either party of any breach of any provision of this Agreement shall not be construed as a waiver of any subsequent breach of the same or any other provision. No part of this Agreement may be waived except by the further written agreement of the parties.
- X. LIABILITY AND INDEMNITY.** The Foundation does not assume any liability or responsibility for the actions of the Grantee in carrying out the purposes of the grant. Grantee shall defend, indemnify and hold harmless the Foundation and the Foundation's directors, officers, employees, affiliates, agents, successors, and assigns from any and all liability, losses, damages, claims, demands, actions, causes of actions, attorney's fees, cost, expenses of whatever nature arising directly or indirectly from, or relating to this Agreement.
- XI. GOVERNING LAW AND VENUE; ENTIRE AGREEMENT.** This Agreement and any executed amendments hereto shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this Agreement, or breach thereof, shall be in a court of competent jurisdiction in Itasca County. This Agreement, with any executed

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amendments, constitutes the entire agreement between the parties with regard to the matters set forth herein.

- XII. COPYRIGHTS, PATENTS AND PROPERTY RIGHTS.** If it is anticipated that intellectual property issues will result from this grant, specific understandings should be negotiated as part of this Agreement. Unless otherwise agreed, intellectual property rights resulting from the grant may be copyrighted by grantee subject to the right of first refusal to copyright such materials by the Foundation. In regard to personal and real property acquired with grant proceeds, it is expected that in the event of a grantee ceasing to use such property for the purposes outlined in this Agreement, that such property or the proceeds from sale or lease of said property be directed to a consistent charitable purpose in the same geographic area.
- XIII. AUTHORIZATION OF GRANTEE.** The Grantee warrants and represents that (i) it is authorized to enter into and legally is able to perform all obligations imposed on and entered in this Agreement and (ii) this Agreement shall bind any of its successors or assigns.
- XIV. AMENDMENT.** This Agreement may not be modified or amended except by written instrument signed by both parties to this Agreement.

GRAND RAPIDS ECONOMIC DEV. AUTHORITY

BLANDIN FOUNDATION

DocuSigned by:  
  
 \_\_\_\_\_  
 Signature of Officer

DocuSigned by:  
  
 \_\_\_\_\_  
 Mary Magnuson, Program Officer

Director of Community Development  
 \_\_\_\_\_  
 Title



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** December 14, 2023

**STATEMENT OF ISSUE:** Consider approval of a professional service agreement with Economic Development Services, Inc. for assistance with the Downtown Organization Project.

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

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### BACKGROUND:

Janna King of Economic Development Services, Inc. has provided services as a sub-consultant that focused on the development of the economic development element of the Comprehensive Plan and the development of the Downtown Plan.

As we've discussed, a key objective within the Downtown Plan is to work with community stakeholders, many who participated in the Plan, to develop a sustainable organization with a sole focus of further building on the vitality of the Downtown.

Economic Development Services has proposed to facilitate that process. The scope of those services within the proposal generally includes:

1. Draft a **preliminary work plan** for the organization's initial two years based on the Downtown Grand Rapids Plan Update. Identify key areas of responsibility and capabilities that will be needed to implement the Grand Rapids Plan Update.
2. Work with the Community Development Director to **establish an Advisory Committee of downtown stakeholders** including business and property owners and anchor institutions in the community. The Advisory Committee members will be actively involved in helping shape a public-private downtown organization focused on long-term downtown vitality with the capacity to act strategically and respond to market challenges and opportunities. An in-person kick-off meeting of the Advisory Committee will be held focusing on the following elements.
  - Introductions
  - Why create a downtown organization?
  - Highlights of the Downtown Grand Rapids Plan Update and the expected role of a downtown organization in implementing the plan and sustaining a healthy downtown in Grand Rapids
  - Advisory Committee members responsibilities

- Preliminary timeline
- Discussion of possible “model” downtown organizations in regional center communities. Several possibilities will be suggested, and advisory committee members will be asked for additional suggestions.

3. The **consultant will do a preliminary evaluation of candidate downtown organizations** in regional center communities in Greater Minnesota that could serve as models for Grand Rapids and share the results with the Advisory Committee via Zoom. The preliminary evaluation will identify:

- Organization (i.e., structure, leadership, partnerships, “big picture” staffing, budget, funding)
- Market characteristics (i.e., size, seasonality related to tourism)
- Focus of downtown organization (e.g., strategy and business mix, physical revitalization, design and appearance, financing and technical assistance, marketing and promotion, activation, coordinating activities and events)

4. The **consultant will research the selected peer communities** gathering more information about

- Peer downtown challenges, accomplishments, and impact over time
- Strategy and elements considered critical by peer community stakeholders
- Additional detail on organizational structure, relationships with other development-related organizations (e.g., chambers, development organizations, visitors’ bureaus), staffing, budgets

5. The Consultant will further **expand upon the peer community research with the Advisory Committee** by facilitating:

- **Advisory Committee bus tour** (The tour could also be opened to other downtown stakeholders) Peer community findings would be shared with approximately 25 participants in a 2 night, 3-day bus tour. With this approach community stakeholders share the first-hand experience of seeing a variety of downtown challenges and solutions and learning directly from stakeholders in other communities. A trip gets community stakeholders “away” and creates an opportunity to build relationships, trust and shared understandings. A brief survey on the bus and an in person facilitated session following the tour will identify elements of the various models that would be appropriate for Grand Rapids.

6. The Consultant will **work with the Advisory Committee to refine the new organization’s workplan for the initial two years** based on peer community research and meet with community and economic development organizations serving Grand Rapids regarding their interest and capacity to partner and provide services to the downtown organization. The consultant will also work with the Advisory Committee to develop recommendations regarding three elements important to getting an organization up and running: bylaws (draft – subject to legal review), membership structure and location of the downtown organization’s offices.

7. The consultant will **prepare a draft report and recommendations** regarding the creation of a sustainable downtown organization appropriate for Grand Rapids. The draft will be shared with Community Development staff and Advisory Committee members for feedback and revisions.

8. The Consultant has also proposed to provide the following **additional tasks**:

- Explore the willingness of funders to provide financial support based on the report. Adjust report as needed to reflect realistic fundraising capacity.
- Prepare a job description that reflects the qualifications and responsibilities for leadership of a downtown organization serving Grand Rapids.

The proposed not to exceed total cost of the services outlined in the proposed contract is \$62,553.00, which does not include bus tour costs for transportation, lodging, and food.

**REQUIRED ACTION:** Pass a motion approving a professional service agreement with Economic Development Services, Inc. for assistance with the Downtown Organization Project.



## CONTRACT FOR PROFESSIONAL SERVICES

THIS CONTRACT is made and entered into as of the 14<sup>th</sup> day of **December 2023** by and between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota, hereafter referred to as the “GREDA”, and Economic Development Services, Inc., hereinafter referred to as “Consultant”.

WITNESSETH:

WHEREAS, the GREDA requires professional planning services in connection with the development of the updated Downtown Plan; and

WHEREAS, the Consultant has the Qualifications and can provide the professional services needed for creating a downtown organization to implement the Grand Rapids Downtown Plan.

NOW THEREFORE, in consideration of the mutual covenants and considerations hereinafter contained, it is agreed by and between the GREDA and the Consultant as follows:

### 1. **Scope of Services**

It shall be the general intent of the Scope of Services for the Consultant to work with the Community Development Department to establish an advisory committee of downtown stakeholders including businesses, property owners and anchor institutions to implement the Grand Rapids Downtown Plan as defined in: their Draft Scope of Services dated August 2, 2023, which is attached as Exhibit "A", and Additional Material dated October 24, 2023, which is attached as Exhibit "A-1".

### 2. **Rate of Compensation**

Compensation to the Consultant in full for work listed in Exhibits "A" shall not exceed a total cost of \$62,553 without written approval of the GREDA. The Consultant shall be reimbursed on a monthly basis at rates listed in Exhibit "A". Direct non-salary reimbursable expenses shall be billed at actual cost and the current per mile rate, established by the IRS.

Invoices will be submitted monthly for work performed.

### 3. **Condition of Payment**

All services provided by the Consultant pursuant to this Contract shall be performed to the satisfaction of the GREDA, and in accordance with all applicable federal, state, and local laws, ordinances, rules, and regulations.

- (a) GREDA will make undisputed payments no later than thirty-five (35) days after receiving Consultant’s invoices for Services performed. If GREDA objects to any portion of an invoice, GREDA shall notify Consultant within five (5) business days of invoice date. In the event of a disputed billing, only the disputed portion will be withheld from payment, and GREDA shall pay the undisputed portion.

(b) If GREDA fails to make payments to Consultant in accordance with this Agreement, and said payments are not otherwise disputed by GREDA, then Consultant may suspend its Services under this Agreement. If Consultant elects to suspend services, it shall give ten (10) days' written notice to GREDA before doing so. Consultant shall have no liability to GREDA for delay or damage caused by such suspension of Services. Before resuming Services, Consultant shall be paid all undisputed sums due prior to suspension and any undisputed expenses incurred in the interruption and resumption of the Consultant's Services.

#### **4. Time of Performance**

All work will be performed in a timely manner. The Consultant estimates completing all work described within Exhibits "A" and "A-1" within 7-9 months of the project start-up date.

#### **5. Ownership of Plans**

The originals of all plans, drawings and other documents prepared by the Consultant under this Contract shall be the property of the GREDA. Upon completion of the work described under Exhibits "A" and "A-1", the consultant shall submit to the Director of Community the plans, documents, meetings, and tours in the quantities described within said exhibits and the Draft Scope of Services dated August 2, 2023. All work product prepared and furnished by Consultant is intended only to be applicable to this Project and GREDA's use of this information for other projects shall be at GREDA's sole risk and expense.

#### **6. Termination of the Contract**

Either party may cancel this Contract (or any part thereof), at any time by giving written notice to the other party at least fifteen (15) calendar days prior to the effective date of the termination. The Consultant shall be paid for the work performed prior to the effective date of termination based upon the payment terms of this Contract. Such payment shall not exceed the maximum amount provided for by the terms of this Contract. Notice to the GREDA shall be mailed or delivered to Rob Mattei, GREDA Executive Director/Director of Community Development, City of Grand Rapids, 420 North Pokegama Avenue, Grand Rapids, Minnesota 55744. Notice to the Consultant shall be delivered to Janna R. King, Economic Development Services, Inc., 1769 Lexington Avenue North #339, Roseville, MN 55113.

#### **7. Independent Contractor**

It is agreed that nothing contained in this Contract is intended or should be construed as creating the relationship of co-partner, joint ventures, or an association with the GREDA and Consultant. Consultant is an independent contractor and neither it, its: employees, agents, subcontractors, or representatives shall be considered employees, agents, or representatives of the GREDA or the City of Grand Rapids. Except as otherwise provided herein, the Consultant shall maintain, in all respects, its present control over the means and personnel by which this Contract is performed. From any amounts due Consultant, there shall be no

deductions for federal income tax or FICA payments nor for any state income tax, nor for any other purposes which are associated with an employer/employee relationship unless otherwise required by law. Payment of federal income tax, FICA payments, state income tax, unemployment compensation taxes, and other payroll deductions and taxes are the sole responsibility of Consultant.

**8. Choice of Law**

The laws of the State of Minnesota shall govern all questions as to the execution, nature, obligation, instruction, validity, and performance of this Contract.

**9. Additional Services**

If a substantial change is made in the scope, complexity or character of the work contemplated under this Contract, or if it becomes necessary for the Consultant to make substantial revisions to documentation completed or in progress and which has been approved by the GREDA, such work will be deemed "extra work". For "extra work", the Consultant will be compensated as mutually agreed upon by the parties to this Contract. Such "extra work" costs will not be charged against the maximum fee set forth above. Time extensions may be granted by GREDA to the Consultant for completion of this project if the GREDA feels that the "extra work" warrants the extension. An amendment to this Contract will be executed by both parties, Consultant and GREDA, for any work deemed "extra work".

**10. Accuracy of Work**

Consultant will perform all professional Services in a manner consistent with the care and skill ordinarily used by members of Consultant's profession practicing under similar conditions at the same time and general location (the "Standard of Care"). The Consultant shall be responsible for the accuracy of the work and shall promptly make necessary revisions or corrections resulting from negligent errors and omissions on the part of the Consultant without additional compensation. Consultant makes no warranties, expressed or implied, under this Agreement or otherwise, in connection with Consultants Services.

Consultant shall perform its Services in accordance with the generally accepted industry standards in compliance with those laws, codes, regulations, or ordinances which are applicable to the Services being performed and which are published and in effect as of the date the Services commence.

All items of work to be performed by the Consultant shall be done in accordance with the requirements and recommendations of, and subject to the approval of, the GREDA to the extent compliance is not inconsistent with Consultant's professional practice requirements.

**11. Subletting, Assignment, or Transfer**

Except as noted in Exhibit A and A-1, no portion of the work under the Contract shall be sublet, sold, transferred, assigned, or otherwise disposed of except with the prior written consent of the GREDA.

**12. Indemnity**

To the fullest extent permitted by law, the Consultant shall hold harmless, indemnify, and defend the GREDA, its council members, officers and employees against liability, claims, loss, damages or cost and expense to the extent caused by from professional errors and omissions and/or negligent acts and omissions of Consultant in the performance of this Contract.

Should Consultant be required to provide legal defense costs pursuant to the requirements set forth in this Article, any such reasonable legal defense costs shall accrue to Consultant in a prorated proportion in accordance with Consultant's percentage of fault as determined by any applicable trier-of-fact or as agreed to and incorporated into any settlement agreements. Consultant will not be responsible for or be required to indemnify or defend any consequential, indirect, or punitive damage claims.

Nothing in this Agreement shall constitute a waiver or limitation of any immunity or limitation on liability to which GREDA is otherwise entitled by state statute to which statutory tort limits apply.

**13. Insurance**

Consultant shall not commence work under this Contract until it has obtained at its own cost and expenses all insurance required herein. All insurance coverage is subject to approval of GREDA and shall be maintained by Consultant until final completion of the work. Consultant shall at all times during the term of the Contract have and keep in force:

**A. Comprehensive General Liability**

- 1. Bodily Injury: \$1,500,000 per occurrence  
\$1,000,000 products & completed operations
- 2. Property Damage: \$1,500,000 per occurrence
- 3. Personal Injury Liability Limit: \$1,500,000 per occurrence
- 4. Blanketed Contractual Liability
  - Bodily Injury: \$1,500,000 per occurrence
  - Property Damage: \$1,500,000 per occurrence

**B. Comprehensive Automobile Liability (Owned, Non-owned, Hired)**

Combined Single Limit for bodily injury and property damage \$2,000,000

**C. Professional Liability**

Professional liability insurance in a policy form acceptable to GREDA of \$1,500,000 each claim, \$2,000,000 annual aggregate.

Policy shall provide coverage for damages for legal liability arising out of the performance of professional services, in the insured's capacity as Consultant, if such legal liability is caused by any negligent act, error, or omission of the insured or any person or organization for whom the insured is legally liable.

D. Workers' Compensation

Consultant shall obtain and maintain for the duration of this Contract, statutory workers' compensation insurance and employer's liability insurance as required under the laws of the State of Minnesota.

1. State: Minnesota – Statutory
2. Employer's Liability

E. Umbrella

Insurance certificates evidencing that the above insurance is in force with companies acceptable shall be submitted for examination and approval prior to the execution of the Contract, after which they shall be filed with GREDA. The insurance certificates shall specifically provide that a certificate shall not be canceled except upon thirty (30) days prior written notice. Neither GREDA's failure to require or insist upon certificates or other evidence of insurance showing a variance from the specified coverage changes Consultant's responsibility to comply with the insurance specifications.

Consultant shall require all subcontractors, and any other subcontractors to which the Parties agree in writing are subcontractors to Consultant, to carry and maintain insurance against the risks set forth above, in the amounts and under terms as determined to be appropriate by Consultant to fulfill its obligations of this Agreement.

GREDA may withhold payment for failure of Consultant to furnish certificates of insurance as required above.

**\*Please note that it is acceptable by the City Attorney to use the insurance requirements in Exhibits B, B-1, B-2.**

14. **Settlement of Claims**

In any case where the Consultant deems that extra compensation is due for services, materials or damages not expressly required by the Contract or not ordered in writing by the GREDA as extra work, the Consultant shall notify the GREDA in writing before it begins any such work on which he bases the claim. If such notification is not previously given or the

claim in not separately and strictly accounted for, and approved by the GREDA in writing before the Consultant commences said work, the Consultant hereby waives and releases forever any claim or costs for such extra compensation. However, such notice or accounting shall not in any way be construed as proving the validity of any claim by Consultant.

The GREDA shall decide all claims, questions, and disputes of whatever nature, which are referred to it relative to the prosecution and fulfillment of this Contract; and its decision upon all claims, questions, and disputes shall be final and conclusive upon the parties thereto administratively. Nothing in this Contract shall be construed as making final the decision of the GREDA on a question of law.

**15. Successors and Assigns**

The GREDA and Consultant, respectively, bind themselves, their partners, successors, assigns, and legal representatives to the other party to this Contract and to the partners, successors, assigns, and legal representatives of such other party with respect to all covenants of this Contract. Neither GREDA nor Consultant shall assign, sublet, or transfer any interest in this Contract without the prior written consent of the other.

**16. Equal Employment and Nondiscrimination and Affirmative Action**

In connection with the work under this Contract, Consultant agrees to comply with the applicable provisions of state and federal equal employment opportunity and non-discrimination statutes and regulations.

**17. Severability**

In the event any provision of this Contract shall be held invalid and unenforceable, the Remaining provisions shall be valid and binding upon the parties unless such invalidity or non-enforceability would cause the Contract to fail its purpose. One or more waivers by either party of any provision, term, condition, or covenant shall not be construed by the other party as a waiver of a subsequent breach of the same by the other party.

**18. Entire Contract**

It is understood and agreed that the entire Contract of the parties is contained herein and that this Contract supersedes all oral agreements and negotiations between the parties relating to the subject matter hereof as well as any previous contracts presently in effect between GREDA and Consultant relating to the subject matter hereof.

**19. Relationship with Others**

The Consultant shall cooperate fully with the GREDA, other consultants on adjacent projects, municipalities, local government officials, public utility companies, and others as may be directed by the GREDA. This shall include attendance at meetings, discussions, and hearings

as may be requested by the GREDA, furnishing data as may be requested from time to time by the GREDA to effect such cooperation and compliance with all directives issued by the GREDA.

**20. Covenant Against Contingent Fees**

The Consultant warrants that it has not employed or retained any company or person other than a bona fide employee working solely for the Consultant to solicit or secure this Contract and that it has not paid or agreed to pay any company or person other than a bona fide employee working solely for the Consultant and fee, commission, percentage, brokerage fee, gifts, or any other consideration contingent upon or resulting from the award or making of this Contract. For breach or violation of this warranty, the GREDA shall have the right to annul this Contract without liability, or in its discretion, to deduct from the Contract price or consideration or otherwise recover the full amount of such fee, commission, percentage, brokerage fee, gifts, or contingent fee.

**21. Laws**

The Consultant shall keep himself fully informed of all existing and current regulations of the city, county, state, and federal laws, which in any way limit or control the actions or operations of those engaged upon the work or affecting the materials supplied to or by them. The Consultant shall always observe and comply with all ordinances, laws, and regulations and shall protect and indemnify the GREDA as provided in Article 12 of this Contract.

**22. Professional Responsibility**

Consultant will perform all professional Services in a manner consistent with the care and skill ordinarily used by members of Consultant's profession practicing under similar conditions at the same time and general location (the "Standard of Care"). Consultant makes no warranties, expressed or implied, under this Agreement or otherwise, in connection with Consultant's Services.

**23. Force Majeure**

An event of "Force Majeure" occurs when an event beyond the control of the Party claiming Force Majeure prevents such party from fulfilling its obligations. An event of Force Majeure includes, without limitation, acts of God (including floods, hurricanes, and other adverse weather), war, riot, civil disorder, acts of terrorism, disease, strikes and labor disputes, actions or inactions of government or other authorities, law enforcement actions, curfews, closure of transportation systems or other unusual travel difficulties, or inability to provide a safe working environment for employees.

In the event of Force Majeure, the obligations of Consultant to perform the Services shall be suspended for the duration of the event of Force Majeure. In such event, Consultant shall be equitably compensated for time expended and expenses incurred during the event of Force Majeure and the schedule shall be extended by a like number of days as the event of Force Majeure. If services are suspended for thirty (30) days or more, Consultant may, in its sole

discretion, upon 5 days prior written notice, terminate this Agreement or the affected Work Order, or both. In the case of such termination, in addition to the compensation and time extension set forth above, Consultant shall be compensated for all reasonable termination expenses.

**24. Documents**

Provided that Consultant has been paid for the Services, GREDA shall have the right to use the documents, maps, photographs, drawings, and specifications resulting from Consultant efforts on the project. Reuse of any such materials by GREDA on any extension of this project or any project without the written authorization of Consultant shall be at GREDA's sole risk. Consultant shall have the right to retain copies of all such materials.

**25. No Third-Party Rights**

This agreement shall not create any rights or benefits for parties other than GREDA and Consultant. No third party shall have the right to rely on Consultant opinions rendered in connection with the Services without the written consent of Consultant and the third party's agreement to be bound to the same conditions and limitations as GREDA.

**26. Consequential Damages**

Neither party shall be liable to the other for consequential damages, including, without limitation, loss of use or loss of profits, incurred by one another or their subsidiaries or successors, regardless of whether such damages are caused by breach of contract, willful misconduct, negligent act or omission, or other wrongful act of either of them.

**27. Authorized Agent of the GREDA**

The GREDA shall appoint an authorized agent for the purpose of administration of this Contract. Consultant is notified of the authorized agent of GREDA is as follows:

Robert A. Mattei  
GREDA Executive Director  
420 N. Pokegama Avenue  
Grand Rapids, MN 55744

**28. Modification of Contract**

Any alterations, variations, modifications, or waivers of provisions of this Contract shall only be valid when they have been reduced to writing, signed by the President and the Executive Director of the GREDA and by Consultant and attached to the original of this Contract.

GREDA and Consultant have executed this agreement by the authorized signatures below.



DATE: \_\_\_\_\_

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, MINNESOTA

BY: \_\_\_\_\_  
Sholom Blake, President

ATTEST: \_\_\_\_\_  
Robert A. Mattei, Executive Director

DATE: \_\_\_\_\_

CONSULTANT:

ECONOMIC DEVELOPMENT SERVICES, INC.

BY: \_\_\_\_\_  
Janna R. King, President

Its \_\_\_\_\_

DATE: \_\_\_\_\_

Approved as to Form  
City Attorney

BY: \_\_\_\_\_  
Chad B. Sterle



Economic Development Services, Inc.

August 2, 2023

Rob Mattei, Community Development Director  
City of Grand Rapids  
420 N Pokegama Ave  
Grand Rapids, MN 55744

**RE: Draft Scope of Services: Creating a downtown organization for Grand Rapids**

Dear Rob:

Thanks for reaching out about helping to create a downtown organization for Grand Rapids. My recent experiences with projects in Grand Rapids should get us up and running quickly and the projects are aligned with my background and skills including the following:

- Leadership of the St. Cloud Downtown Development Corporation during a three year period in which significant transformation occurred in downtown St. Cloud.
- 15 years of experience leading small non-profit economic development organizations, more than half of that in small and mid-sized regional centers in North Central Minnesota. This included leadership of county and regional economic development organizations, a downtown organization and a 1,600 member chamber of commerce in Texas. The chamber brought together the community's economic development, visitors bureau, civic center and chamber programs and included a buy local initiative, minority procurement and a business-education coalition.
- Preparation of over 40 strategic plans for development-related organizations including chambers of commerce, local and regional economic development organizations, visitors bureaus, and downtown organizations
- Drafting of the organizational component of the International Economic Development Council's two-day Strategic Planning Course. Served as an instructor for the course nationally and at the Upper Midwest Basic Economic Development Course for 25 years.

I look forward to the opportunity to continue to work with the City of Grand Rapids on downtown revitalization.

Sincerely,

Janna R. King, CECD, EDFP  
President

[jking@econdevelop.com](mailto:jking@econdevelop.com) 651 633 4803  
1769 Lexington Ave N #339, Roseville, MN



## Proposed Approach and Scope of Services

### Creating a Downtown Organization

1. Draft a **preliminary work plan** for the organization's initial two years based on the Downtown Grand Rapids Plan Update. Identify key areas of responsibility and capabilities that will be needed to implement the Grand Rapids Plan Update.
2. Work with the Community Development Director to **establish an Advisory Committee** of downtown stakeholders including business and property owners and anchor institutions in the community. The Advisory Committee members will be actively involved in helping shape a public-private downtown organization focused on long-term downtown vitality with the capacity to act strategically and respond to market challenges and opportunities. An in-person kick-off meeting of the Advisory Committee will be held focusing on the following elements.
  - Introductions
  - Why create a downtown organization?
  - Highlights of the Downtown Grand Rapids Plan Update and the expected role of a downtown organization in implementing the plan and sustaining a healthy downtown in Grand Rapids
  - Advisory Committee members responsibilities
  - Preliminary timeline
  - Discussion of possible "model" downtown organizations in regional center communities. Several possibilities will be suggested and advisory committee members will be asked for additional suggestions.
  - Next steps

If appropriate, an additional meeting with broader group of downtown stakeholders could be held during the same trip at no additional cost.

3. The **consultant will do a preliminary evaluation of candidate downtown organizations** in regional center communities in Greater Minnesota that could serve as models for Grand Rapids and share the results with the Advisory Committee via Zoom. The preliminary evaluation will identify:
  - Organization (i.e., structure, leadership, partnerships, "big picture" staffing, budget, funding)
  - Market characteristics (i.e., size, seasonality related to tourism)
  - Focus of downtown organization (e.g., strategy and business mix, physical revitalization, design and appearance, financing and technical assistance, marketing and promotion, activation, coordinating activities and events)The consultant will be responsible for summarizing preliminary information for ~7-8 communities. The consultant's **preliminary evaluation of peer communities will be shared via Zoom** with the Advisory Committee, which will select the final 4-5 communities for deeper evaluation.
4. The consultant will **research the selected peer communities** gathering more information about
  - Peer downtown challenges, accomplishments, and impact over time
  - Strategy and elements considered critical by peer community stakeholders



- Additional detail on organizational structure, relationships with other development-related organizations (e.g., chambers, development organizations, visitors bureaus), staffing, budgets
  - This information will be summarized and shared with the advisory committee in a workbook prepared for the bus tour. If logistics preclude the tour of some communities of interest, Zoom sessions that allow for direct discussion could be made available.
5. Downtown revitalization bus tour. Facilitate a three-day, two-night bus tour of Minnesota communities that have been actively engaged in downtown revitalization. The bus tour would engage approximately 24 participants from Grand Rapids, providing them with a first-hand experience of seeing a variety of downtown challenges and solutions and learning directly from stakeholders in other communities. A tour gets community stakeholders “away” and creates an opportunity to build relationships, trust, and shared understanding. Brief surveys following each community visit and an in-person facilitated session following the tour will identify elements of the various models that would be appropriate for Grand Rapids
  6. Following the tour, the consultant will work with the Advisory Committee to refine the new organization’s workplan for the initial two years and meet with community and economic development organizations serving Grand Rapids regarding their interest and capacity to partner and provide services to the downtown organization. The consultant will also work with the Advisory Committee to develop recommendations regarding three elements important to getting an organization up and running:
    - Bylaws (draft – subject to legal review)
    - Membership structure
    - Location of the downtown organization’s offices
  7. The consultant will prepare a draft report and recommendations regarding the creation of a sustainable downtown organization appropriate for Grand Rapids. The draft will be shared with Community Development staff and Advisory Committee members for feedback and revisions.
  8. Following completion of the draft report, explore the willingness of funders to provide financial support based on the draft. Adjust report as needed to reflect realistic fundraising capacity.
  9. Prepare a job description that reflects the qualifications and responsibilities for leadership of a downtown organization serving Grand Rapids and the expected fundraising capacity of the organization.
  10. Present the final report and recommendations to GREDA and a stakeholder meeting.

## Deliverables

Project deliverables include:

- A **report and recommendations** for the creation of a downtown organization that includes key public, private and non-profit stakeholders who will provide leadership for downtown. The organization will address these elements identified in the recent City’s downtown plan.
  - Identifying the economic niche of downtown and pursuing a strategic business mix



- Creating a safe, welcoming, and attractive environment by attending to key elements of downtown’s physical design and appearance
- Providing financing tools and technical assistance that supports investment in businesses and properties in downtown
- Activating downtown through a variety of business and community actions, including marketing & promotion activities and working with businesses and other organizations to create opportunities for engagement

The report will provide an overview of the Community Advisory Committee process and summary of findings. Recommendations will address organizational structure and competencies, leadership, budget, funding, bylaws (draft – subject to legal review), membership structure, office location, and key organizational processes including strategic planning, performance evaluation, and communication with funders and stakeholders,

- A **presentation** that can be shared with board members, funders, and other stakeholders.

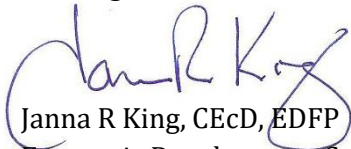
### Professional rate, travel expenses, estimated hours, and timeline

The fully loaded rate for Janna King will be \$160/hour. Travel time is billed at 50%. Expenses are estimated based on the federal GSA rate for 2023 of \$98/night for lodging and \$59/day for meals. First and last day meals are at 75% of the full daily rate (\$44.25). Mileage is at the federal rate of \$.655/mile. The budget includes 5 trips. The estimated time needed to complete the project will be 7-9 months depending upon project start-up date, scheduled meetings, etc.

<b>Strategic Plan Budget</b>	<b>Hours</b>	<b>Cost</b>	<b>Travel</b>	<b>Total</b>
Economic Development Services, Inc. – professional services	230	\$59,700	\$2,853	<b>\$62,553</b>
Estimate for city-paid expenses for bus & driver (\$7,000), lodging (\$6,000), meals & expenses (\$5,200) for 25 people				<b>\$18,200</b>
				<b>\$80,753</b>

Please let me know if you would like any modifications to this proposed scope of services.

Best regards,



Janna R King, CEcD, EDFP

Economic Development Services, Inc.



Economic Development Services, Inc.

October 24, 2023

ADDENDUM to Draft Scope of Services: Creating a downtown organization for Grand Rapids dated August 2, 2023

The purpose of this addendum is to identify the project timeline, assuming funding approval in late October 2023. The project timeline is based on a discussion with Rob Mattei and Dan Swenson with the Community Development department on October 12, 2023.

October (late)	<ul style="list-style-type: none"> <li>Funding approval</li> </ul>
November	<ul style="list-style-type: none"> <li>Contract with Economic Development Services, Inc.</li> <li>Outreach to bus company to secure possible dates based on preliminary route for late April 2024</li> <li>Identify and recruit Advisory Committee members for kick-off meeting January 3, 2024</li> </ul>
December	<ul style="list-style-type: none"> <li>Meeting prep for January 3, 2024</li> </ul>
January	<ul style="list-style-type: none"> <li>Kick off meeting with Advisory Committee – ID possible model downtown organizations in regional center communities for late April tour</li> <li>Possible meeting with broader group of downtown stakeholders</li> <li>Consultant begins research on candidate downtown organizations/communities</li> </ul>
February (mid)	<ul style="list-style-type: none"> <li>Consultant findings on candidate organizations/communities shared via Zoom. Tour communities selected.</li> </ul>
March	<ul style="list-style-type: none"> <li>Consultant researches peer communities, works on tour logistics with communities and bus company, and develops tour workbook and facilitation plans</li> <li>City finalizes contract with bus company, hotels, and addresses other tour logistics</li> <li>Correspondence with downtown tour participants re: expectations &amp; logistics</li> </ul>
April (late)	<ul style="list-style-type: none"> <li>Downtown revitalization bus tour with ~ 25 participants, including facilitated sessions en route to clarify organizational goals and structure for Grand Rapids</li> </ul>



May- July	<ul style="list-style-type: none"><li>• Refine workplan for downtown organization for initial 2 years; meet with area non-profits re: potential partnerships</li><li>• Work with Advisory Committee re: draft bylaws, membership structure and office location</li><li>• Consultant prepares draft report for review by Community Development staff and Advisory Committee</li></ul>
June- July	<ul style="list-style-type: none"><li>• Consultant explores willingness of funders to provide financial support needed to accomplish downtown workplan</li></ul>
August	<ul style="list-style-type: none"><li>• Prepare job description that reflect qualifications and responsibilities for leadership of a downtown organization serving Grand Rapids</li><li>• Prepare presentation for GREDA</li></ul>
August-September	<ul style="list-style-type: none"><li>• Present final report to GREDA</li></ul>



**SECTION II - LIABILITY**

Coverage	Limit of Insurance
Coverage L - Business Liability Per Occurrence	\$1,000,000
Coverage M - Medical Expenses	\$5,000 Any One Person
Damage to Premises Rented to You	\$300,000
Hired Auto Liability	Included in Coverage L
<b>Aggregate Limits</b>	<b>Limit of Insurance</b>
General Aggregate	\$2,000,000
Products/Completed Operations Aggregate	\$2,000,000

Each paid claim for Liability Coverage reduces the amount of insurance we provide during the applicable annual period. Please refer to Section II – Liability in the Coverage Form and any attached endorsements.

Your policy consists of these Declarations, the BUSINESSOWNERS COVERAGE FORM shown below, and any other forms and endorsements that apply, including those shown below as well as those issued subsequent to the issuance of this policy.

**FORMS AND ENDORSEMENTS**

- CMP-4100 Businessowners Coverage Form
- CMP-4223.1 Amendatory Endorsement (Minnesota)
- CMP-4536 Additional Insured - Owners, Lessees or Contractors (Scheduled)
- CMP-4561.1 Policy Endorsement
- CMP-4703.1 Utility Interruption - Loss of Income
- CMP-4704.1 Dependent Property - Loss of Income
- CMP-4705.2 Loss of Income and Extra Expense
- CMP-4709 Money and Securities
- CMP-4710 Employee Dishonesty
- CMP-4713.1 Exclusion - Testing or Consulting Errors and Omissions
- CMP-4721 Exclusion - Personal and Advertising Injury
- CMP-4746.1 Hired Auto Liability
- \* CMP-4785.1 Additional Insured - Owners, Lessees or Contractors (Blanket)
- CMP-4819.1 Unauthorized Business Card Use
- CMP-4899 Back-up of Sewer or Drain
- FD-6007 Inland Marine Attaching Declarations
- FE-3650 Actual Cash Value Endorsement
- FE-6999.3 Policyholder Disclosure Notice of Terrorism Insurance Coverage

*\*New Form Attached*

**SCHEDULE OF ADDITIONAL INTEREST(S)**

Interest type: Owners, Lessees, or Contractors (Schedule)  
 Endorsement number: CMP-4536  
 Loan number: N/A  
 Grand Rapids Economic Development Authority  
 420 N Pokegama Ave  
 Grand Rapids MN 55744-2658

Interest type: Owners, Lessees, or Contractors (Schedule)  
 Endorsement number: CMP-4536  
 Loan number: N/A  
 Zan Associates  
 105 5th Ave S Ste 130  
 Minneapolis MN 55401-2536

**FULL NAMED INSURED**

**Named Insured:** ECONOMIC DEVELOPMENT SERVICES INC



THIS DECLARATIONS PAGE WITH POLICY FORMS AND ENDORSEMENTS COMPLETES THE POLICY. THIS POLICY WILL CONTINUE IN FORCE FOR THE PERIOD INDICATED UPON VALID PAYMENT OF THE PREMIUM, WHEN DUE.

Item 4.

POLICY NUMBER UMN 0020595	POLICY PERIOD FROM 08/25/23 TO 08/25/24	COVERAGE IS PROVIDED IN THE FOLLOWING COMPANY STATE AUTO PROP. & CAS.	AGENCY 56569	PROD 00
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NAMED INSURED AND ADDRESS JANNA R KING 1389 SKILLMAN AVE W ROSEVILLE MN 55113	AGENT NORTH RISK PARTNERS LLC 622 ROOSEVELT RD STE 240 SAINT CLOUD MN 56301  TELEPHONE 320/253-1122
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UMBRELLA LIMITS OF LIABILITY \$1,000,000  
 UNINSURED/UNDERINSURED LIMITS OF LIABILITY \$1,000,000  
 TERRITORY 01

COVERAGE	EXPOSURE	PREMIUM*
STANDARD VEHICLE	2	\$72
PERSONAL LIABILITY	1	\$76
UNINSURED MOTORIST LIAB	2	\$144
UNDERINSURED MOTORIST LIAB	2	INCL

\*ALL PREMIUMS SUBJECT TO A MINIMUM

PERSONAL UMBRELLA PREMIUM SUMMARY

1ST MILLION	\$292.00
TOTAL UMBRELLA PREMIUM	\$292.00

ENDORSEMENTS/FORMS: PX13 (01/07), DL9853 (08/07), PX1MIL (01/16), DL9801 (10/06), PX42 (10/06), PX52 (02/14), DL9817 (04/02), PX2073 (02/06), PX2082 (09/07).

SCHEDULE OF REQUIRED "UNDERLYING INSURANCE" - YOU AGREE TO MAINTAIN UNDERLYING INSURANCE FOR THE FOLLOWING TYPES OF LIABILITY WITH AT LEAST THE LIMIT OF LIABILITY AS SHOWN IN THE "ENDORSEMENT REQUIRED - UNDERLYING INSURANCE".

HOME HMN0042826  
 AUTO AMN0052684  
 AUTO 958768846

POLICY PERIOD 12:01 AM STANDARD TIME

07/03/23  
 DATE

204215 1.70 0704 195 2439 7/7 BIN:0

Item 4.

THIS DECLARATIONS PAGE WITH POLICY FORMS AND ENDORSEMENTS COMPLETES THE POLICY. THIS POLICY WILL CONTINUE IN FORCE FOR THE PERIOD INDICATED UPON VALID PAYMENT OF THE PREMIUM, WHEN DUE.

POLICY NUMBER	POLICY PERIOD		COVERAGE IS PROVIDED IN THE FOLLOWING COMPANY	AGENCY	PROD
AMN 0052684	FROM 08/25/23	TO 02/25/24	MERIDIAN SECURITY INS COMPANY	56569	00

<b>NAMED INSURED AND ADDRESS</b> JANNA R KING 1389 SKILLMAN AVE W ROSEVILLE MN 55113	<b>AGENT</b> NORTH RISK PARTNERS LLC 622 ROOSEVELT RD STE 240 SAINT CLOUD MN 56301  TELEPHONE 320/253-1122
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VEHICLES COVERED		CMP	COL	LIAB	MP/PIP	ST	AM
#	ST TER YR MAKE-DESCRIPTION SER NUMBER	SYM	SYM	SYM	SYM	CLASS	
01	MN 180 09 VOLVO V50 2.4I YV1MW382892465757	17	17	285	465	86J300	

COVERAGE IS PROVIDED WHERE A PREMIUM IS SHOWN FOR THE COVERAGE

COVERAGE	LIMITS OF LIABILITY	AUTO	PREMIUMS
A LIABILITY-BODILY INJURY & PROPERTY DAMAGE	\$1,000,000 EACH ACCIDENT	1	197.00
C UNINSURED MOTORISTS BODILY INJURY	\$1,000,000 EACH ACCIDENT		35.00
C UNDERINSURED MOTORISTS BODILY INJURY	\$1,000,000 EACH ACCIDENT		82.00
PERSONAL INJURY PROTECTION			44.00
D DAMAGE TO YOUR AUTO- ACTUAL CASH VALUE LESS DEDUCTIBLE OTHER THAN COLLISION	\$ 250 DEDUCTIBLE		96.00
COLLISION	\$ 250 DEDUCTIBLE		162.00
TRANSPORTATION EXPENSES	\$50 PER DAY/\$1,500 MAXIMUM		10.00
TOWING AND LABOR	\$100 PER DISABLEMENT		8.00
AUTOMOBILE THEFT PREVENTION SURCHARGE			.50
PRIME OF LIFE PLAN		INCL	
		TOTAL BY AUTO	634.50
		TOTAL TERM PREMIUM	\$634.50

\*\*\* YOUR STATE AUTO COMPANIES AUTO POLICY HAS BEEN DISCOUNTED AS SHOWN BELOW:

\*\*\*PRIME OF LIFE DRIVER DISCOUNT OF 20% APPLIES TO VEHICLE # 1\*\*\*  
 CUSTOMER LOYALTY SAVINGS APPLIED TO ALL VEHICLES  
 AUTO/HOME DISCOUNT HAS BEEN APPLIED TO AUTO 1  
 PASSIVE RESTRAINT DISCOUNT HAS BEEN APPLIED TO AUTO 1  
 ANTI-THEFT DISCOUNT APPLIED TO AUTO 1  
 SAFE DRIVING = INSURANCE SAVINGS FOR AUTOS 1  
 FINANCIAL STABILITY DISCOUNT APPLIES  
 ANTI-LOCK BRAKE DISCOUNT OF 5% APPLIED TO AUTO 1

DRV. ID	DRIVER NAME	VEH. ASSIGNED PRINC.	OCC.	GENDER	MARITAL STATUS
01	JANNA R KING	1		F	S

FORM #	DATE	AUTO	FORM #	DATE	AUTO	FORM #	DATE	AUTO	FORM #	DATE	AUTO
AU671	05/11	ALL	PP0001	01/05	ALL	MBK001A	01/16	ALL	PP0001B	01/07	ALL
PPAU23	01/07	ALL	AU1017	01/08	ALL	MN0160	10/13	ALL	AU706	01/11	ALL
PP1301	12/99	ALL	PP0301	08/86	ALL	PP0359	01/05	ALL	PP2340	10/15	ALL
PP0399	01/05	001	AU0567	01/17	001	PP0497	01/16	001	PP0498	06/98	001
PP0302	06/98	001	PP0303	04/86	001	1ABASIC	10/06	001	MN618	01/14	001

207395 2.30 0727 462 6907 9/10 BIN:0

THIS DECLARATIONS PAGE WITH POLICY FORMS AND ENDORSEMENTS COMPLETES THE POLICY. THIS POLICY WILL CONTINUE IN FORCE FOR THE PERIOD INDICATED UPON VALID PAYMENT OF THE PREMIUM, WHEN DUE.

Item 4.

POLICY NUMBER	POLICY PERIOD		COVERAGE IS PROVIDED IN THE FOLLOWING COMPANY	AGENCY	PROD
AMN 0052684	FROM 08/25/23	TO 02/25/24			

NAMED INSURED AND ADDRESS  JANNA R KING 1389 SKILLMAN AVE W ROSEVILLE MN 55113	AGENT  NORTH RISK PARTNERS LLC 622 ROOSEVELT RD STE 240 SAINT CLOUD MN 56301
	TELEPHONE 320/253-1122

ADDITIONAL INTEREST FOR AUTO #001  
 ECONOMIC DEVELOPMENT SERVICES  
 1769 LEXINGTON AVE N #339  
 ROSEVILLE, MN 55113

09 \* 000000565669AMN00526842210\*

THE PREMIUM FOR YOUR POLICY IS BASED ON THE RESIDENTS IN YOUR HOUSEHOLD DECLARED ON THE ORIGINAL APPLICATION OR OTHERWISE REPORTED TO YOUR AGENT. PLEASE KEEP YOUR AGENT INFORMED OF ANY ADDITIONAL DRIVERS IN YOUR HOUSEHOLD.

POLICY PERIOD 12:01 AM STANDARD TIME

07/26/23  
DATE

BHEAROVIZ (LANDSCAPE TAGS)



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** December 14, 2023

**STATEMENT OF ISSUE:** 2024 GREDA Work Plan Discussion

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

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### **BACKGROUND:**

At this meeting, GREDA will begin development of a work plan for the upcoming year. As outlined in the previous memo to the Commissioners, we ask that the Commissioners review both the 2023 Work Plan and the economic development goals within the current Comprehensive Plan for the City and prepare a short list of work items, both new and carry-over, you feel should be considered for inclusion within the 2024 plan.

At this meeting, GREDA will list and discuss the ideas and, if necessary, consider consolidating and/or paring down to a reasonably achievable list of items to be further scored and ranked, following the meeting and prior to the next session.

### **RECOMMENDATION:**

### **REQUIRED ACTION:**



# Grand Rapids Economic Development Authority 2023 Work Plan

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Continue to work with Voyageur Capital on current and future development.	Lead	M	<ul style="list-style-type: none"> <li>Work with Voyageur Capital toward executing a Contract for Private Development for the buildout of speculative industrial space.</li> </ul>	<ul style="list-style-type: none"> <li>Work with IRRR, DEED and others to support the new industries with low interest financing for equipment and tenant improvements.</li> </ul>		
Market GREDA Services	Lead	S	<ul style="list-style-type: none"> <li>Communicate the many GREDA successes and raise awareness of GREDA programs.</li> </ul>	<ul style="list-style-type: none"> <li>CBIL program marketing</li> <li>Downtown Entertainment Loan program marketing</li> </ul>	<ul style="list-style-type: none"> <li>Consider comprehensive updates to the GREDA website under a new platform</li> </ul>	
Continue to support the ASV/Yanmar Expansion	Lead	S	<ul style="list-style-type: none"> <li>Provide a recommendation to the City Council regarding ASV/Yanmar's request for a Tax Abatement.</li> <li>Coordinate with the County on a joint Contract for Private Development involving Tax Abatement.</li> </ul>	<ul style="list-style-type: none"> <li>Continue to work on supportive workforce housing development.</li> </ul>		

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Provide support for the Huber Project	Support	S	<ul style="list-style-type: none"> <li>Participate in developing and implement a coordinated group effort of area and regional entities to support the successful advancement of the project.</li> </ul>			
Pursue and support initiatives addressing the local workforce/childcare and housing shortages	Lead	S	<ul style="list-style-type: none"> <li>Continue to support private development interest in housing projects by advising the City Council on TIF and Tax Abatement business assistance requests.</li> </ul>	<ul style="list-style-type: none"> <li>Execute development agreements on GREDA housing parcels.</li> </ul>	<ul style="list-style-type: none"> <li>Work with childcare facility developers and IRRR to incentivize/remove financial barriers for projects.</li> </ul>	
Support the development or redevelopment/infill of strategic commercial sites to achieve growth in the retail sales and service sector.	Lead	L	<ul style="list-style-type: none"> <li>Continue to support private development interest in housing projects by reviewing proposed requests for business assistance.</li> <li>Promote the development of GREDA housing parcels and</li> </ul>	<ul style="list-style-type: none"> <li>Welcome and support investment interest in the redevelopment of infill sites such as the former K-Mart site, former Ray's Sport and Marine, and former Sawmill Inn site.</li> </ul>	<ul style="list-style-type: none"> <li>Identify retail gaps and more actively recruit businesses and developers.</li> </ul>	
Begin implementation of the updated Downtown Plan.	Partner	S	<ul style="list-style-type: none"> <li>Review strategies within the completed Downtown Plan update.</li> <li>Implement the Downtown Entertainment Loan Program</li> </ul>	<ul style="list-style-type: none"> <li>Explore strategies for a sustainable Central School adaptive reuse.</li> </ul>	<ul style="list-style-type: none"> <li>Consider a Blandin Foundation grant request for the purpose of hiring a consultant to lead downtown business and property owners through steps to establish a downtown program and organization.</li> </ul>	

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Ensure an adequate inventory of industrial sites and facilities exist to accommodate full industrial, warehousing & distribution business expansion and relocation potential.	Lead	L	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to explore funding opportunities that would support the development of a speculative, flexible, industrial/warehousing building in Grand Rapids.</li> <li>▪ Recruit a developer.</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
Continue to advocate for highway transportation route improvements to improve linkages between Grand Rapids and the interstate, the Duluth port.	Lead	L	<ul style="list-style-type: none"> <li>▪ Have discussions with appropriate agencies, government, and elected officials the prioritization of improvements to the TH2 corridor to Duluth.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Explore working with UWS or others in preparation of a needs study.</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
Consider ways to support the relocation/renovation of local small businesses and assist with ADA compliance improvement funding options.	Lead	S	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Consider submitting a grant request to the Blandin Foundation to establish a loan program, possibly with some forgivable terms, to address ADA and Minnesota Accessibility Code deficiencies.</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>
Assist with the redevelopment of the Boswell site.	Lead	S	<ul style="list-style-type: none"> <li>▪</li> </ul>	<ul style="list-style-type: none"> <li>▪ Support County efforts to implement energy transition strategies.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Identify energy transition funding state and federal programs that may be applicable to GREDA efforts toward economic diversification.</li> </ul>	<ul style="list-style-type: none"> <li>▪</li> </ul>



* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Term (years) Short 1-2 Med. 3-5 Long 6+	Q1	Q2	Q3	Q4
Continue to support our medical service providers to ensure that Grand Rapids maintains and grows its position as a regional hub.	Lead	S	<ul style="list-style-type: none"> <li>Communicate with major providers, Grand Itasca and Essentia, about trends toward a stay-at-home rural health care model and the buildout of services and jobs to support that growth potential.</li> </ul>			
Pursue initiatives that would support existing and new wood product industries/advocate for U.S. EPA rule changes.	Lead	M			<ul style="list-style-type: none"> <li>Research and consider advocacy for U.S. EPA rule changes that would define wood as carbon neutral so it can be used as an alternative fuel source applicable to a future conversion of MP Unit from coal.</li> </ul>	
Consider ways to diversify the membership of the Commission and amend the meeting format to include updates from local partners/organizations.	Lead	S	<ul style="list-style-type: none"> <li>As membership opportunities arise, recruit applicants that further a diverse board.</li> <li>Invite local partner organizations to provide updates, one presentation per quarter.</li> </ul>			





## Introduction

The economic vitality of a community is critical to its long-term success. Good-paying jobs and a solid tax base are key to providing adequate funding for roads, schools, parks, snow removal, and other services and amenities that retain and attract businesses and residents.

## Demographics

The Minnesota State Demographer estimated the City of Grand Rapids population to be 11,389 in 2017. Grand Rapids Township was annexed into the City in phases between 2000 and 2010. Since 1990, the population of Grand Rapids/Grand Rapids Township has been relatively stable, ending on a high note, with 4.7% growth between 2010 and 2017 after sustaining a 2.4% loss between 2000 and 2010.

Between 2017 and 2045, the Minnesota State Demographer projects growth for Itasca County to be less than 1,500. Given these projections and historical population trends for City of Grand Rapids, the City is likely to experience slow to moderate growth. Population shifts within the county could occur (e.g. due to aging rural residents moving into the City for better access to health care) creating a higher rate of growth in the City.

## Workforce

While the population is expected to grow at a slow to moderate pace, the workforce is expected to decline about 3.3% during the decade 2020-2030 (see [Table 6.1](#)). As members of the baby boom generation exit the workforce, a smaller cohort of replacement workers (age 25-44) enter the Itasca County workforce.

The labor market is tightening throughout the Northeast MN. According to DEED, the number of job seekers per job has declined from a peak of 11/job in 2009 to .8 in 2018 in the region.

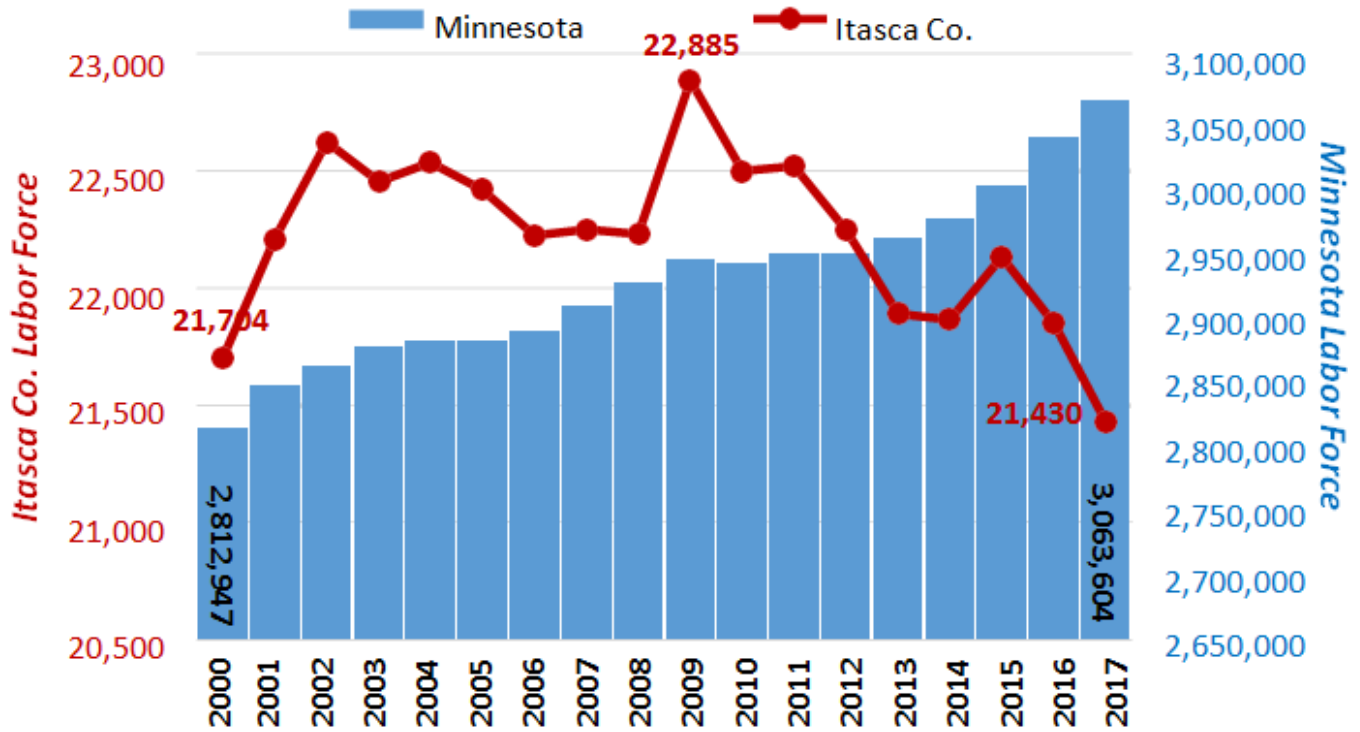
**Table 6.1. Labor Force Projections**

Itasca Co.	2020	2030	2020-2030 Change	
	Labor Force Projection	Labor Force Projection	Numeric	Percent
16 to 19 years	1,271	1,115	-156	-12.3%
20 to 24 years	2,546	2,562	16	0.6%
25 to 44 years	7,744	8,536	793	10.2%
45 to 54 years	4,134	3,890	-244	-5.9%
55 to 64 years	4,358	3,128	-1,230	-28.2%
65 to 74 years	1,090	1,071	-20	-1.8%
75 years & over	236	365	129	54.5%
<b>Total Labor Force</b>	<b>21,380</b>	<b>20,669</b>	<b>-712</b>	<b>-3.3%</b>

*Source: Itasca County Labor Market Analysis, MN DEED, December 2018. Calculated from Minnesota State Demographic Center population projections and 2013-2017 American Community Survey 5-Year Estimates*

As shown in **Figure 6.1**, Itasca County’s labor force has been shrinking while the state labor force has grown. During the 15 year period 2002-2017, Itasca County’s labor force showed a loss, -5.3%, while the state labor force showed a gain of 7.1%.

**Figure 6.1. Annual Labor Force Estimates**  
**Annual Labor Force Estimates**



Source: DEED Local Area Unemployment Statistics (LAUS) Program

The underlying issue is demographic change and the retirement of a large cohort in the workforce – the baby boom generation. Consequently, talent attraction is a critical issue for businesses and communities across the country. Economic development is increasingly integrated with workforce development, talent attraction and attention to community development factors such as housing, parks and recreation, quality schools and health care. Rural areas face a particular challenge with the attraction of managerial, technical and professional workers because limited employment opportunities can impact the trailing spouse in two-earner households. Workforce development, talent attraction and trailing spouse issues are all considered important by area employers contacted during the economic development research process for the comprehensive plan.

## Employment Center

Grand Rapids serves as an employment center for the region. According to the US Census Bureau, 12,439 people were employed in Grand Rapids in 2017. Of these, 2,654 lived and worked in the City; 7,594 commuted into the City for employment; and 2,191 residents were employed outside the City (see [Figure 6.2](#)).

These employment characteristics – strong employment of residents and a significant inflow of workers reinforce the opportunity for Grand Rapids to serve as center for retail trade. Consumers often shop for convenience goods from grocery stores, pharmacies, hardware stores and lumber yards where they work or where family members attend school.

**Figure 6.2. Grand Rapids MN Inflow/Outflow Job Counts**



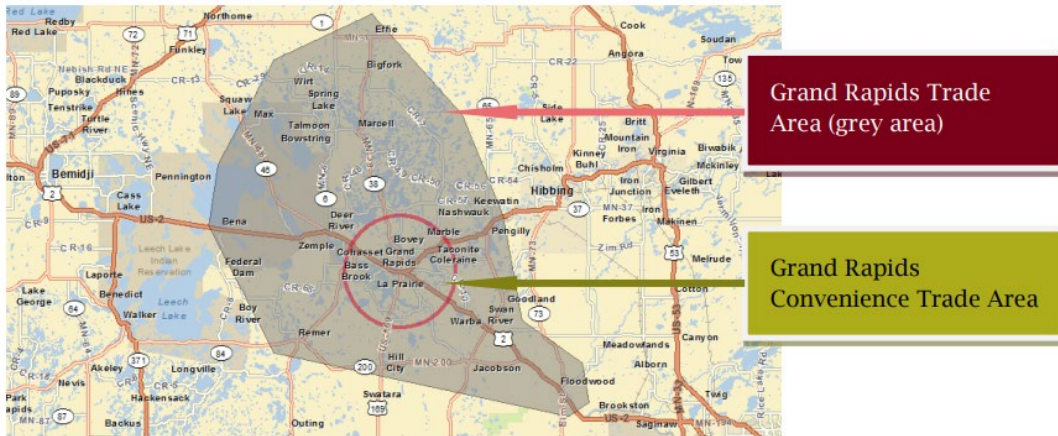
Source: U.S. Census, OnTheMap, LEHD Data

## Retail Trade Center

The City of Grand Rapids serves as a retail trade center reaching north to Effie, west to Bena, south to Hill City and Floodwood and northeast to Nashwauk. Bemidji, Hibbing and Duluth are competitive retail centers to the west, northeast and southeast respectively. The University of Minnesota Extension prepared a retail market for Grand Rapids in 2014 and identified the retail trade area as shown in [Figure 6.3](#). In addition to the trade area identified in grey, the U of MN extension researchers identified a Convenience Trade Area (red circle) with a 10-mile radius. The City has a strong “pull factor” and shows particular strength for sales in the following categories that reflect its important role in meeting the daily goods needs of area consumers: grocery stores; beer, wine and liquor stores; sporting goods stores; specialized building material dealers; full-service restaurants; automotive parts, accessories and tires stores; hardware stores, pharmacies and drug stores; sewing goods and needlework stores; motorcycle, boat and other motor vehicles; and home centers. It also shows a sales surplus, compared to national benchmarks in computer and software stores, home furnishings/furniture stores, gift, novelty and souvenir stores, optical goods, footwear and office supplies,

indicating that many people purchase these goods in the community. The research indicated that there is some leakage to other markets for clothing as well as appliances, televisions and other electronic goods.

**Figure 6.3. Retail Trade Area**

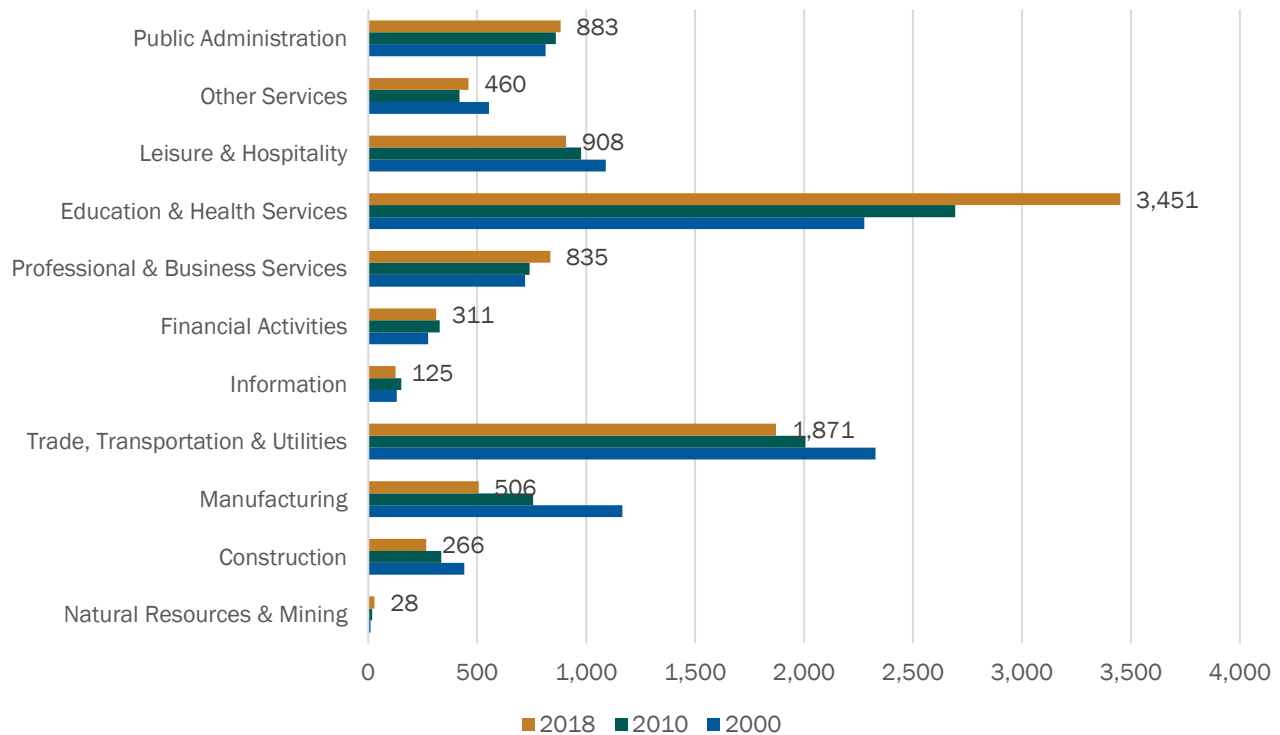


Source: University of MN Extension, January 2014

### Employment & Wages

Total employment in Grand Rapids has remained relatively constant over the period 2000-2018. However, the composition of employment has changed. Employment gains of 1,290 in Professional and Business Services, Education and Health Services offset employment losses of 1,290 in Manufacturing, Trade, Transportation and Utilities as shown in **Figure 6.4**. High wage manufacturing jobs have been replaced by lower wage jobs in other sectors, most notably health care.

**Figure 6.4. Employment by Industry**



Source: Quarterly Census of Employment and Wages

**Table 6.2. Average Weekly Wage**

	Average Weekly Wage 2018
Natural Resources & Mining	\$2,307
Construction	\$1,013
Manufacturing	\$1,626
Trade, Transportation & Utilities	\$693
Information	\$734
Financial Activities	\$1,032
Professional & Business Services	\$534
Education & Health Services	\$761
Other Services	\$522
Public Administration	\$1,146

Source: Quarterly Census of Employment and Wages, 2018

**Table 6.3. Employment Change**

	2000	2010	2018	Change 2000-2018
Natural Resources & Mining	11	17	28	17
Construction	440	335	266	-174
Manufacturing	1,166	757	506	-660
Trade, Transportation & Utilities	2,327	2,006	1,871	-456
Information	130	151	125	-5
Financial Activities	274	328	311	37
Professional & Business Services	719	740	835	116
Education & Health Services	2,277	2,693	3,451	1,174
Leisure & Hospitality	1,090	977	908	-182
Other Services	553	419	460	-93
Public Administration	814	860	883	69
<b>Total Employment</b>	<b>9,801</b>	<b>9,283</b>	<b>9,644</b>	<b>-157</b>

Source: Quarterly Census of Employment and Wages, 2000, 2010, 2018

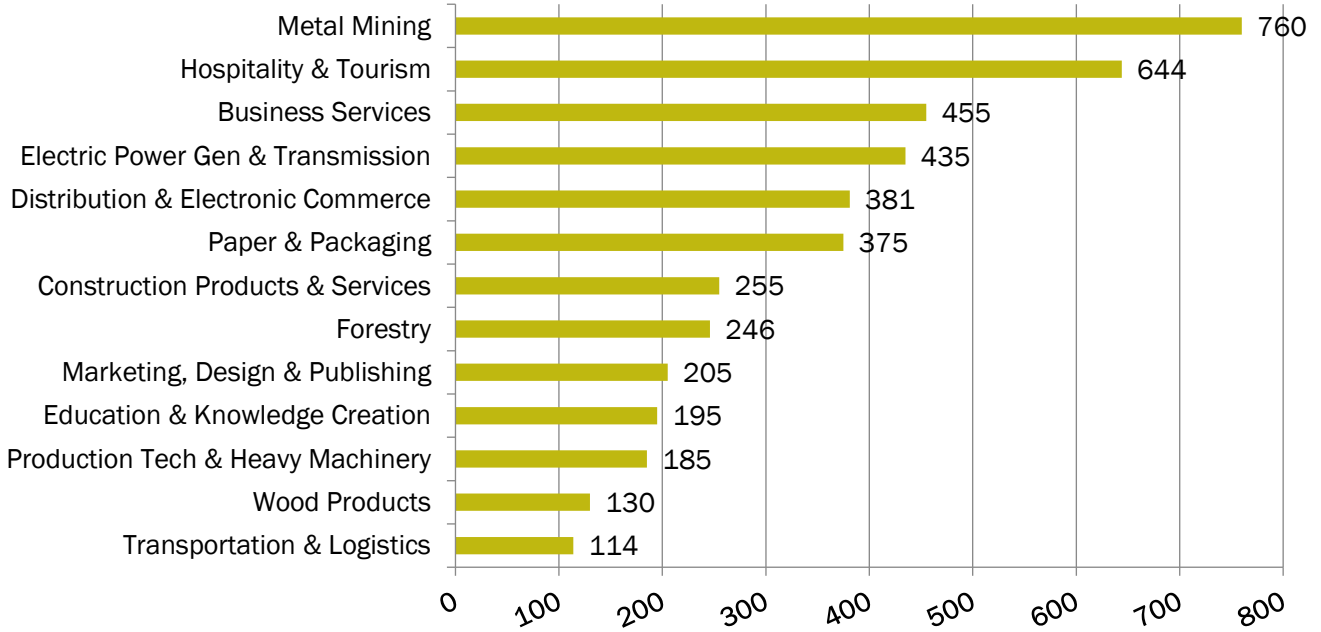
## Employment Characteristics

Local economies are characterized by businesses in “traded industry clusters” and “local clusters”.

Businesses **in traded clusters** serve markets in other regions or nations. Traded cluster industries in Grand Rapids include hospitality and tourism, business services, distribution and e-commerce, paper and packaging, manufacturing, paper processing, transportation and utilities, and tourism. Wages are typically higher in traded cluster businesses.

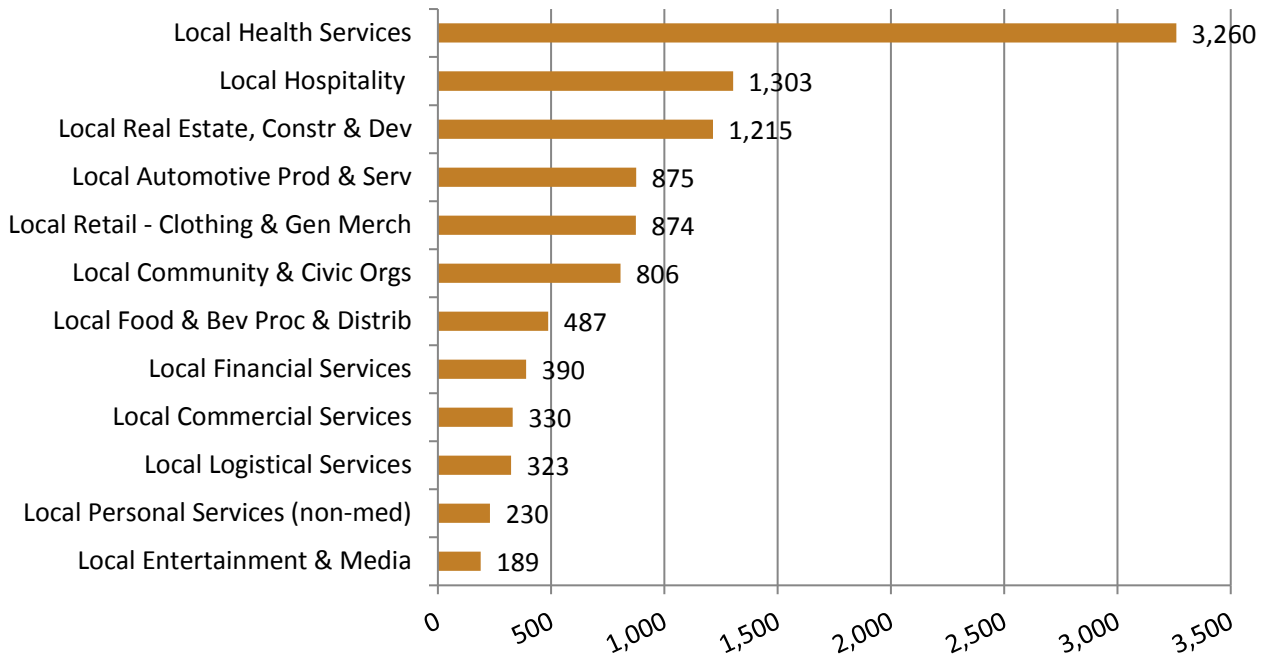
**Local cluster** businesses sell products or services primarily to the local market. Examples include health care, education and retail businesses such as grocery stores, hardware stores, lumber yards and pharmacies.

**Figure 6.5. Itasca County Employment by Traded Cluster, 2016**



Source: US Cluster Mapping Project

**Figure 6.6. Itasca County Employment by Local Cluster, 2016**



Source: US Cluster Mapping Project

**Table 6.4. Major Employers in the City of Grand Rapids**

	Product/Service	Approximate Number of Employees
ISD #318	Public education	650
Grand Itasca Clinic and Hospital	Health care	526
Itasca County	Government	431
UPM Blandin Paper Mill	Paper mill	240
Grand Village Nursing Home	Skilled care nursing home	250
Arrowhead Promotion and Fulfillment Co.	Promotion and fulfillment processing	220
Wal-Mart Stores, Inc.	Discount retail	183
Minnesota Diversified Industries	Assembly and packaging solutions	172
ASV Holdings	All season vehicle manufacturing	153
City of Grand Rapids	Government	148
Target Corporation	Discount retail	148
MN Department of Natural Resources	Government	135

Source: City of Grand Rapids Website and 2019 Comprehensive Plan employer interviews

## Industrial Land

City staff updated the industrial land inventory for Grand Rapids and other area communities in 2019. The City and GREDA have been involved with the development of six industrial parks and have sold a total of 129.4 acres to 29 businesses since 1969. (see [Table 6.5](#)). The average industrial land absorption per year for the period, 1969 to the present, was 2.59 acres per year. For the period, 1992 to the present, absorption was 3.62 acres per year.

**Table 6.5. Previously Developed City/GREDA Industrial Property**

Plat	Plat Year	Total Acreage	# of Businesses
Industrial Park One	1969	31.8	17
Industrial Park Two	1992	31.7	4
Industrial Park East	1999	5.2	1
Industrial Park East 1st Add.	2001	32.2	2
Airport S. Industrial Park - Phase 1	2007	6.7	3
GREDA IEIP	2010	21.8	2
<b>Total</b>	–	<b>129.4</b>	<b>29</b>

Source: GREDA, 2018

GREDA currently owns 19 serviced industrial sites, totaling 32.4 acres, detailed in [Table 6.6](#). Based on the historic absorption rate 1992- present, the City controls a 9 year inventory. The average site size is 1.7 acres. Based on an assumption of 4.1 acres per business, the City has sufficient inventory for 7 businesses.

**Table 6.6. Current Inventory of GREDA Owned, Undeveloped, Industrial Property with Utilities**

Plat	Plat Year	Total Acreage	# of Sites
Industrial Park East	1999	14.5	8
Airport S. Industrial Park - Phase 1	2007	9.8	5
Airport S. Industrial Park - Phase 2	2009	8.1	6
Airport Road Site	--	20.0	1
<b>Total</b>	--	<b>52.4</b>	<b>20</b>

Source: GREDA, 2018

Itasca Economic Development Corporation and a private party own an additional 223 acres of industrial property (Itasca Eco-Industrial Park) without sewer and water utilities, detailed in [Table 6.7](#).

**Table 6.7. Current Inventory of Undeveloped, Industrial Property with no Utilities**

Site Description	Total Acreage	# of Sites
Privately owned, IEIP Site (Grand Rapids)	134.5	1
IEDC - IEIP Site (Cohasset)	63.5	1
<b>Total</b>	<b>223.0</b>	<b>2</b>

Source: GREDA, 2018

The market for industrial land in Grand Rapids will be influenced by the availability of property in Cohasset and Coleraine which are located within 10 minutes of Grand Rapids. These two communities have a total of 5 sites with 12 acres of serviced land available. In addition, Cohasset owns an additional 250 acres of un-serviced land in an expansion area.

**Table 6.8. Current Inventory of Privately and Publicly Offered Industrial Sites in Surrounding Communities**

Site Description	Total Acreage	# of Sites
Cohasset Industrial Park w/Utilities	2.7	1
Cohasset Industrial Park Expansion Area	250.0	18
Coleraine Eagle Ridge Technology Park	7.5	3
Coleraine Industrial Park	1.8	1
<b>Total</b>	<b>262.0</b>	<b>23</b>

Source: GREDA, 2018

Based on the existing inventory of industrial sites in Grand Rapids and Cohasset, there is no immediate need to purchase additional land for future industrial expansion. The City will want to consider extending utilities to un-serviced GREDA-owned sites to meet market demand.

## Economic Development Framework

The Grand Rapids Economic Development Authority (GREDA) plays the primary economic development role in the City. The City and GREDA often collaborate on development related initiatives with local and regional partners, including the Grand Rapids Area Chamber of Commerce, Visit Grand Rapids, Itasca Economic Development Corporation (IEDC), Iron Range Resources and Rehabilitation (IRRR), Area Partnership for Economic Development (APEX), the Northspan Group, Inc. and the MN Department of Employment and Economic Development.



## Economic Development Successes, Issues and Opportunities

Development issues and opportunities serve as the foundation for crafting the community’s economic development strategy and priorities. Economic development successes, issues and opportunities identified through an analysis of data and input from the Grand Rapids Economic Development Authority, the comprehensive plan steering committee, interviews with employers and economic development allies (e.g. IEDC, chamber, IRRRB, APEX) are summarized as follows.

### Successes

Grand Rapids is perceived as forward-thinking and diversified, especially when compared with other areas of Northeast Minnesota. Community members are proud of recent investments in the new elementary school, the Reif Center update, medical district investments, the collaboration on the new “Y”, the Keisler Wellness Center, commercial rehabilitation projects in the US 169 corridor and downtown, residential developments and the collaboration on arts, culture, recreation and entertainment. These investments and collaborative activities differentiate Grand Rapids and help the community attract young talent. The expansion of ASV, Arrowhead Promotions and the attraction of ACC Manufacturing and Swan Machine are considered important additions to the community’s economic base. Successes identified in the retail sector include downtown projects completed with the storefront loan and DEED Small Cities Development Program funds. Specific commercial redevelopments/developments noted include: Thousand Lakes, Culver’s, L&M Supply, Aldi’s, Hardee’s, Sawmill Inn and the brewpubs.

### Strengths

#### Attractive diversified regional center and tourism destination

Grand Rapids role as a diversified regional center – including a good industrial base, the county seat, community college, medical center, retail hub, small local businesses and state government offices – is seen as the foundation for the community’s future, helping it weather the economic ups and downs of a natural resource-oriented region. The area’s lakes, outdoor recreation opportunities and tourism industry play a valuable role in introducing people to Grand Rapids. The businesses and amenities that serve visitors provide quality of life benefits enjoyed by residents and help attract talent to the community. The community is considered desirable and attractive, drawing more young people than other range communities. Community resources like the well-regarded school district, Blandin Foundation, Blandin leadership program, YMCA, Grand Rapids Area Library, good broadband infrastructure, KAXE, Reif Center, ice arena and trails differentiate Grand Rapids. Throughout engagement, Grand Rapids was described it as “magnetic – people want to live here”. The area convention and visitors bureau, Visit Grand Rapids, is recognized for effective marketing and cultivating a positive image for the community.

#### Quality workforce

In addition to its good industrial base, the quality of the workforce was recognized by management with experience outside the region. The workforce was described as “one of the best anywhere, technically literate and easy to motivate...just a little guidance, they will take it and run.” Another described it as “skilled and dedicated, with a great work ethic”.

#### Leadership and culture

Good leadership and a culture of caring for each other are identified as cultural characteristics underlying Grand Rapids success. The collaborative, caring spirit of the community is illustrated by an innovative partnership between the City, the YMCA, eldercare and healthcare organizations and the new Keisler Wellness Center. The City is recognized for effective partnerships with economic development allies and its capacity to put together financing packages needed to make complex development and redevelopment

projects happen in a rural regional center. The Blandin Foundation and a broader culture of philanthropy in the community are perceived as central to the quality of life in the community.

### **Good planning, infrastructure and development support**

Internal and external stakeholders recognize the City for good planning and infrastructure investments including roads, schools, water and sewer, broadband and land for commercial/industrial development. The community's inventory of industrial sites, including the former Ainsworth "megasite" are recognized as important assets along with sites zoned for commercial development. The City's capacity to support revitalization of commercial properties is valued. The Commercial Building Improvement Loan and Small Cities grants through GREDA and other local incentives are considered important strengths critical for redevelopment. Developers who understand the Grand Rapids market are considered an asset to the community. They invest in the community, own property long-term and care about their real estate and the community overall.

## **Weaknesses/challenges/threats**

### **Location and transportation infrastructure**

Grand Rapids location and transportation are considered Grand Rapids' primary disadvantages.

- The distance from major markets creates high freight costs for manufacturers.
- The distance and the lack of four-lane roads between the community and Minneapolis-Saint Paul (180 miles), Duluth (80 miles) and Bemidji (70 miles) are considered barriers to development.
- This challenge is compounded by the lack of commercial air service to Grand Rapids. The nearest scheduled service is in Hibbing, 45 minutes away. Additional options are available in Duluth and Bemidji, each approximately 1.5 hours away.
- An aging fixed base operator (FBO) facility at the airport is perceived by some to create a poor first impression of the community, for those who arrive by private plane.
- Grand Rapids is served by BNSF Railway Co. The lack of a competitive rail service provider affects the rates and quality of service experienced by shippers in the community.
- The community lacks local public transportation.
- The lack of ridesharing options (e.g. Uber, Lyft) impacts residents and visitors to the community.

### **Workforce and Talent Attraction**

Challenges to attracting and retaining a capable workforce sufficient to meet employers' needs is a challenge across the country as the baby boom generation retires. Smaller communities in rural areas face particular challenges because two-career households are much more typical than they were in the past. Smaller communities offer fewer employment options to both members of the household. This is especially a problem with the recruitment of managerial, technical and professional workers. Finding rewarding employment for the "trailing spouse" can be challenging.

The lack of affordable housing affects many small communities because the cost of new construction often exceeds market values in the community. An aging housing stock and a lack of rental opportunities limits growth and the ability to attract talent. One employer noted the lack of moderately priced housing, condos or townhomes. Another noted, "We need housing that's affordable for good people in lower wage jobs - bank tellers, resort staff and retail jobs." Some employers consider the lack of temporary housing for people who move to town from out of state to take employment to be problematic. There are almost no options available. One employer indicated that it works out better if someone moves to the community in the fall and can rent a winterized cabin on the lake until spring. But that's not a reliable option, because you recruit throughout the year.

The community is considered friendly to people who move into the area, but not inclusive. Consequently, social life can be challenging for newcomers, impacting the ability of businesses to retain recruits. This challenge apparently impacts a broad range of newcomers, but is especially challenging for single people.

The lack of available, reasonably priced childcare limits workforce participation. This is a problem that affects Grand Rapids and communities throughout Greater Minnesota. It is particularly challenging for health care and forest products processing plants and others that operate 24/7.

While the technical aptitude, skills and work ethic of workers in the area are exceptional and valued by employers, competition from the cyclical mining industry can create challenges for manufacturers, who find workers leave them when high-wage jobs are available in mining. Similarly, drivers and loggers leave the forest products industry for similar jobs in the mining industry.

Grand Rapids has a unique opportunity to draw on its September 2019 recognition in USA Today as one of the '50 Best Places to Live in the US' and build a more robust talent attraction initiative.

### **Downtown and retail challenges**

Although there are vacancies and the business mix has changed in downtown Grand Rapids, the community has been reasonably successful in securing reinvestment and updating facades. However, community members are concerned about empty storefronts, Central Square Mall and Central School. They place a priority on downtown revitalization.

Downtown areas have been challenged since the advent of the shopping mall in the late 1950s. Retail formats have transformed from historic "Main Street" shops that are typically deep and narrow with limited parking, to shopping malls and "retail boxes" surrounded by parking lots, often located on a major highway near the edge of town. The trend toward on-line shopping and ever-faster, often-free delivery is disrupting the retail sector. The large aging baby boomer generation is expected to purchase fewer goods and more services. Younger generations express less interest in acquiring things and more interest in experiences than previous generations. In response to these trends, many shopping malls and other retail centers are in the process of changing their business mix and use of space to provide more opportunities for people to gather, engage in activities and entertainment.

Historic downtown areas, often viewed as the "heart of the community", often struggle in the transition to finding a new niche. Services businesses such as legal and accounting firms, title companies, dentists, chiropractors, eye clinics and salons are able to use historic storefront spaces productively. In many cases they choose to own the property also. These types of businesses generate sufficient revenue to maintain the buildings in good condition. Parking demand for staff and customers typically works well with limited on-street parking and possibly alley parking. Accessibility can be a concern, particularly for those in health care related businesses. Some communities have worked successfully with these property owners to create rental housing opportunities in upstairs apartments. However, these types of services businesses don't bring "shoppers" to a commercial district.

It is challenging with independent business and property owners to be strategic about tenant mix. But a strategic tenant mix benefits business owners, property owners and the community in the long term. Property owners and cities have successfully identified districts that concentrate businesses that can benefit each other – concentrations of outdoor and arts-oriented businesses, breweries with adjacent restaurants or space for food trucks, restaurants and bars near theaters and bowling, coffee shops adjacent to bookstores, yoga and fitness studios near health food stores. A collective focus on the customer and the customer experience is important to revitalization efforts.

Some businesses in communities with a limited tourism season are able to develop an on-line sales presence to supplement storefront sales. Promotion of this model and related technical assistance can help develop or preserve visitor-oriented shopping areas.

The commercial corridor on US 169 has seen investment over the past decade. But retailers have begun pulling back recently. The closure of Herberger’s and Shopko stores nationally has been challenging for many communities. Attempts at retail attraction locally face headwinds with changes underway in the retail sector nationally. Grand Rapids developers have pursued some retail businesses, but find that the community’s population threshold is below the market requirements of some businesses the community would like to attract. Consequently, larger nearby markets like Duluth and Bemidji draw shoppers from Grand Rapids.

### **Loss of high paying jobs with good benefits**

The loss of high paying jobs with good health care benefits (e.g. Blandin Paper, Magnetation) has ripple effects in the community. Fewer employees with good health care benefits has a negative impact on the health care system in the community. The baby boomers who retired from Blandin have financial resources and good benefits, which are still supporting the local economy, but their economic contribution will wane over the next 10 – 20 years.

### **Loss of visitor amenities and meeting rooms**

The tourism industry was described as stronger in Grand Rapids when Quadna Mountain and Sugar Hills attracted winter visitors to the community. There’s a perceived decline in the number of tourism-oriented businesses over many years. Most recently the community experienced the closure of the Sawmill Inn, a hotel with dining and meeting rooms. Redevelopment of the property is underway.

### **Competitive Business Climate**

Community leaders spoke about the challenge of providing the amenities people want, and the importance of maintaining a competitive business climate with regard to taxes, utility rates and regulation. The City of Grand Rapids adopted and enforces the Minnesota State Building Code. It is illegal for cities with a population over 5,000 to repeal the state building code. Some townships and cities in the area have not adopted the state building code and this creates some confusion. It was noted through engagement that cold temperature and snow removal are business expenses over which a business owner has no control – adding to the challenge of doing business in the North Country.

## **Opportunities**

Community and economic development stakeholders identified many opportunities for strengthening Grand Rapids economic vitality. They are organized into the following topic areas.

- Talent attraction
- Workforce development
- Development and redevelopment
- Economic diversification
- Forest products and mining
- Visitor infrastructure
- Leadership development
- Transportation infrastructure

## Talent attraction

A variety of Grand Rapids area employers need to attract talent from outside the area to manage or grow their operations. Many of these positions are managerial, technical and professional. Communities and employers across the country are working together on talent attraction.

There is significant interest in being more aggressive on talent attraction. The City and IEDC have participated supported the creation of NORTHFORCE website, which serves as job connection website for Northeast Minnesota (e.g. job posting, resume posting). There is interest in providing additional information about the Grand Rapids area as a place to live for people relocating or considering relocation to the community. Existing community websites target other audiences – Visit Grand Rapids targets visitors and the City website is oriented to existing residents. Attraction/relocation websites focus on prospective residents and promote the community as a place to live, work and play.

An interview participant suggested creating programs to reach young people who grew up in the Grand Rapids area and went away to attend college/university to encourage them to return home in their late 20s or early 30s. Another person interviewed focused on exploring and creating a better system for talent attraction. “Who do we need to attract? Where are we posting? How do we recruit people who aren’t looking for a job? How can we use social media effectively to support talent attraction?”

Other rural communities are facing similar talent attraction challenges. The Brainerd Lakes Area Development Corporation created the Key Recruitment Program, a fee-for-service and membership program designed to help businesses in the Crow Wing County area find top-notch candidates to fill key professional positions. The program was funded by BLAEDC, the Blandin Foundation and four founding business members. The program has proven successful over several years and is highly regarded by the business community.

Some communities have developed relocation support systems that involve community leaders and human resources professionals. Such networks provide assistance to identify career opportunities for the spouse of an individual being recruited to a community. Co-working sites and support for entrepreneurship may also help a “trailing spouse” find a rewarding career path in the community. Relocation support networks can be designed to welcome individuals and families and help them make social connections tailored to their personal interests to help retain them in the community. Employee recruitment and turnover are expensive, so businesses consider community relocation support programs to be a good investment.

There appears to be a need for temporary housing for relocating professionals. The extent of the market should be explored with employers who are involved with external recruitment. If demand is relatively small, it may be possible to integrate appropriate housing options into other housing or hospitality projects and help ease the transition for individuals and families.

Housing market studies that are updated on a regular basis help guide development and encourage successful investment. Multi-family senior housing was identified as an option that may be attractive to seniors, freeing up single-family homes for younger families. There is interest in supporting investment and development of sites in Grand Rapids for high-demand market segments. Community and economic development stakeholders suggested that workforce housing is a current need.

The creation of additional childcare capacity can help attract existing residents to participate in the workforce and can factor into relocation decisions. The lack of childcare is a barrier to labor force participation, especially in rural areas of Minnesota. Community support for childcare options may be needed to overcome market challenges.

### Workforce development

Itasca Community College and the Grand Rapids School District are well-regarded partners in workforce development for the community and can help retain young people in the community and put them on a path to skilled employment in the area. There was strong interest in innovative models. School districts that have created exceptional school-to-work programs in partnership with area employers include Hutchinson and Alexandria, MN. Paynesville recently completed the first year of an entrepreneurship program at the high school level; the new program was fully enrolled and is supported by the Paynesville Area Community Foundation.

An interview participant indicated an interest in establishing a satellite relationship with a college like St. Scholastica or St. Thomas, possibly in Central School, with a focus on programs to support entrepreneurship, engineering and liberal arts. The City of Apple Valley has successfully co-located satellite operations of several educational institutions in its former City Hall to make higher education options more accessible “south of the river” in the metro area.

### Development and redevelopment

Cities typically play an important role in stimulating physical development and redevelopment opportunities. The following sites and areas are considered priority sites for Grand Rapids over the next 1-10 years.

- Downtown Grand Rapids
- Central School
- Former School Sites (Forest Elementary)
- Former Kmart Site
- 20 acre site near Walmart/Home Depot
- Sawmill Inn
- Former Ainsworth Site (Itasca Eco-Industrial Park)
- Former Ray’s Marine Site
- DC Manufacturing
- Residential development sites – market opportunities for workforce and senior housing



Downtown seemed to be the greatest concern to most people. The efforts to date involving the state Small Cities Development Program and local loan funds are highly regarded. Façade improvements are valued, but one interview participant wondered if there is a need for more financial support to address deeper code issues, such as compliance with ADA accessibility laws, upgrade of electrical and HVAC systems, etc. There is also interest in “activation” of downtown.

Recent examples of downtown activation include:

- Sculptures, sidewalk poetry and murals installed by the Grand Rapids Arts and Culture Commission
- The “First Friday Arts Walk” has enjoyed success in recent years
- The recent addition of a brewery and wine-bar downtown

Activation typical involves creation of engaging design features and cultivating a business mix and events that draw people downtown for activities. The events may be sponsored by businesses, non-profits or the community.

On the industrial front, there’s periodic demand for warehouse space and inadequate capacity. It is difficult for developers to build or buy and hold speculatively. However, it is also important to be able to move quickly. When orders come in, businesses often need to expand capacity quickly. Grand Rapids could consider options like a multi-tenant warehouse or a “paper spec” warehouse. Communities work in advance on “paper spec” buildings with developers to speed approval processes and avoid the risk of a vacant building. Advance work by the City and developer includes identifying shovel ready sites, designing prototype buildings in several sizes (e.g. 30,000, 50,000 and 70,000 square feet), maintaining current cost estimates and preparing prototype financing packages and lease rates. This can reduce construction timeframes by several months. The incentive of time can be as important to some businesses as a financial incentive from a community.

### Arts and Culture

Arts and Culture is a vibrant component of life in Grand Rapids. Throughout engagement efforts, the success of public art and the arts and culture movement were highlighted for their support of community culture and sense of place. Connections were also drawn between public art and economic development. The Creative MN report, published in 2015, specifically explore the impact of arts and culture on Grand Rapids. According to the report, the arts and culture sector has spurred \$5.1 million in economic impact within the community. That is an imp of \$467.38 per resident. In 2015 a total of 139 jobs were tied to the arts and culture sector and generate \$3,244,000 in household income. Additionally, 54 individuals volunteered for over 2,600 hours across three organizations – valued at \$58,878. It was also estimated that the arts and culture sector hit an audience of over 86,000 people in 2015 – that is nearly 8 times the number of residents in Grand Rapids. Between the Creative MN data and the input gathered throughout the planning process, arts and culture efforts provide a larger opportunity for economic growth within Grand Rapids.

### Economic diversification

Community members are interested in economic diversification. A participant noted, “The economy will be more stable long term with 10 small businesses with 40-50 jobs than 2 businesses with 200-300 jobs. Small businesses not dependent on mining or forestry are ideal, because they would be less vulnerable to the ups and downs.”

There’s a recognition that it can be challenging to recruit manufacturing jobs to Grand Rapids because of the distance to market and transportation infrastructure. Diversification into business and professional services that can be “transported” via the internet have expanded into Bemidji, Duluth and other communities in Northeast Minnesota. These types of businesses are considered a potential opportunity for Grand Rapids. Examples of these types of businesses include insurance company or financial services back offices; software development and tech support operations; marketing and communications firms; consulting; and planning, engineering and ecological services firms.

Grand Rapids has some unusual assets that may differentiate the community for the right business. The former Ainsworth site, a “megasite”, is approximately 135 acres. It is served by rail and heavy duty electrical.

It's possible to extend City services to the site. In addition, Grand Rapids has excess wastewater treatment capacity, which could be attractive to certain businesses, most likely a forest products processing operation.

Entrepreneurship and small business development can help diversify the local economy. The internet and shippers like FedEx and UPS enable many small businesses in remote locations to access national and global markets. The internet and shipping/delivery services can also help local artists and tourist-oriented retailers reach a broader customer base year-round.

There is interest in local food and beverage businesses (e.g. distilleries, breweries). These small businesses can be attractive to visitors, residents and have the potential to export higher value food and beverages to markets outside the community.

### **Forest products and mining**

Due to the closure of the paper mill in Sartell, oriented strand board (OSB) operations and the downsizing of Blandin Paper, the timber harvest in the Grand Rapids region has diminished. Several community members knowledgeable about the forestry industry indicated that there is an abundance of resource available in the area and a need for increased harvesting to encourage regeneration and diversity.

Grand Rapids has the potential to host a next generation forest products processing operation when market conditions are right. UPM/Blandin owns of 188,000 acres of forest land that can't be developed or broken up, which could supply operations involved with bioplastics, biomaterials or biofuels. Several people suggested that the community needs to encourage expansion of biomaterials and fuels in Grand Rapids, particularly while the logging infrastructure is in place in the region.

There is also potential to for additional mining activity in the Greater Grand Rapids area. Projects that have some potential include reactivation of the former Magnetation facility and the stalled Essar steel project. The community and region have a strong history in mining that has contributed to economic development. Between the location of headquarters and services and employees locating to Grand Rapids throughout the years, the mining industry has helped shape the community. While the extraction of mining resources within Grand Rapids is limited to costs and industry technologies, the mining industry should continue to be viewed as an economic development opportunity.

### **Visitor infrastructure**

Several people identified an opportunity to create more for visitors and summer lake families to do when they are in the area. Currently the Forest History Center, Judy Garland Museum and local theater are the primary "rainy day destinations" for visitors. Additional options suggested that could attract the next generation include hiking and mountain biking facilities, canoe trails and family-friendly activities like miniature golf.

Hotels in the area report that they are often at capacity and there is limited meeting room and banquet space. A market study could clarify market conditions and encourage investment. A hotel could be strategically located or co-located to stimulate additional business or visitor activity.

### **Leadership development and volunteer engagement**

Leadership development is important to one seasoned community leader who has learned, "We can't look to state or federal government – must drive our own prosperity locally." Community leaders spoke regularly about the value of Blandin's leadership development program and the need to engage and cultivate the next generation of volunteers and leaders. InterCity Leadership visits were identified as an important way to help community leaders envision new ways to enhance the community and strengthen its economy.



There is interest in engaging multiple generations in volunteer and leadership activities. Recent retirees from the metro area living in the lakes area around Grand Rapids are perceived as an asset that could be cultivated. Young people who have returned to the community seem to want to help and be engaged. Communities or chambers frequently support and encourage social organizations for emerging leaders that offer professional development, networking opportunities and an introduction to City, county and non-profit organizations serving a community.

### Transportation Infrastructure

Transportation infrastructure investments are expensive and take years....and even decades to come to fruition. While it typically takes a long time, noted one community leader, “You have to start sometime or it will never happen.”

Three transportation investments were identified during the research process.

- Establish a corridor coalition to advocate for 4-lane access to Grand Rapids
- Diversify rail service providers in the area to get competitive pricing
- Plan for and build frontage/backage roads in the commercial area along on US 169

### Goals and Objectives



As noted within Chapter 3, goals and objectives were developed for each plan element in support of the 2040 Vision and Guiding Principles. The goals and objectives defined within

these chapter should be considered as economic development decisions are considered.

**Goal** – Statement of a desired vision (i.e., what is the future of the various elements within).

**Objective** – Statement of a defined action or policy that provides guidance in achieving the established goal.

**Goal 1: Create jobs and income.** The City’s economic infrastructure sustains the City’s households and the households of many people in surrounding communities. Building the City’s economic base is not an end in itself, but rather is a primary component for achieving many of the community’s goals. Creating economic opportunity for current and future residents is a primary Comprehensive Plan goal.

- a. **Ensure that job creation efforts include high-wage/high-quality jobs.** In order to support and sustain their households, residents need to have economic opportunities that pay a good wage and provide benefits that households need. While not all jobs need to be high-wage, the City should emphasize the creation of high-wage, high quality jobs through its programs and policies.
- b. **Enable the retention and expansion of existing businesses.** Creating jobs by expanding existing businesses is the most productive way to expand economic opportunity. Grand Rapids Economic Development Authority members will be actively engaged in business retention activities, particularly for higher wage employment opportunities. The City will partner with other economic development organizations to coordinate retention/expansion activities and ensure efficient use of resources.
- c. **Recruit new businesses and support entrepreneurs that add jobs and income opportunities.** Businesses in other regions looking for expansion opportunities and entrepreneurs who create new businesses can contribute to creation of jobs and income opportunities. The City should take strategic actions that encourage outside investment in Grand Rapids and entrepreneurship from within the community.

**Goal 2: Enhance the local quality of life.** A vibrant economic base should provide for a high quality of life for residents and visitors. A high quality of life simultaneously encourages outside investment in Grand

Rapids and supports the attraction of talent to the community. Taking steps to improve quality of life is thus both an important goal and a key strategy for meeting other economic development goals.

- a. **Provide affordable housing opportunities.** Housing that is safe, affordable, connected to the community is essential to maintaining residents' quality of life. The City will work to ensure that a range of housing options is available in the local market and will consider how well affordable workforce housing is located relative to job centers. The City will work with governmental, non-profit, and private entities to accommodate the variety of incomes and household types in Grand Rapids.
- b. **Develop a thriving downtown.** The downtown is more than a collection of businesses. More than any other place, the downtown is the symbol of the community, the place that visitors and residents alike think of as the heart of the City. The City will treat the downtown as critical economic infrastructure and recognize the relationship between the downtown and the rest of the community in land use, infrastructure, and economic development activities.
- c. **Better utilize the River as an economic asset.** The Mississippi River centers and defines much of Grand Rapids. The River is an economic, natural resource, and cultural asset to the community. The City will encourage economic use of and redevelopment along the River that also protects its natural and cultural significance.
- d. **Support arts, recreation, and educational assets.** Grand Rapids' lifelong educational system, recreational assets, and artistic venues is important to attracting and retaining talent. The City recognizes both the substantial quality of life implications of these assets and the economic benefits of investments in education, recreation, and the arts.
- e. **Encourage a mix of local services and retail goods adequate to meet regional demand.** Quality of life is enhanced when City residents, residents of nearby communities, and visitors have a diverse mix of retail and service options to meet their needs. Grand Rapids can strength its role as a regional retail and service center by enhancing the quality of life for residents of the region. The City will encourage a diverse range of retail and service businesses to improve quality of life.

**Goal 3: Build the City's economic sustainability.** An economic base that is fraught with risk and uncertainty is not sustainable over time. Improving economic sustainability means reducing risks associated with known economic cycles and regional economic uncertainties. Economic sustainability also requires understanding and addressing the relationship between the City's economic base, workforce, social and neighborhood assets, and natural infrastructure.

- a. **Increase diversity of economic base.** The City's industrial economic base is closely associated with natural resource industries and specific national markets. Encouraging investment in industries that are independent of these cycles and markets will lower risks associated with economic cycles. The community's broadband infrastructure is a competitive advantage that can enable businesses to bring outside revenue into the community without transportation considerations. Business services that address external markets, such as insurance company back office operations, software development and customer service operations will be targeted as a potential market.
- b. **Support talent development and attraction.** Changing demographics are expected to constrain the labor force locally, regionally and statewide in coming years. Support initiatives that develop local talent for area industries, attract talent to the area and retain older workers in the labor force.
- c. **Improve utilization of local resources, assets, and goods.** The City and region have valuable resources with economic value. Use of local resources rather than equivalent non-local resources makes the region's economic infrastructure more productive and less subject to forces beyond the City's control. The City will strive to improve economic sustainability through improved utilization of local resources.
- d. **Support the City's historic competitive strengths, including established heavy industry and manufacturing.** Economic sustainability requires that the City understand and support its competitive strengths. Natural resource industries, particularly the paper and pulp industry, will remain critical to creating economic opportunity for current and future residents.

- e. **Support investment in regional assets such as medical services.** The 2003 Plan helped usher in the integration and expansion of medical services into the medical campus. Supporting this economic infrastructure helps maintain the City’s position as a regional economic center.
- f. **Support investments with tourism value.** The hospitality and tourism industry serves several valuable talent retention and attraction functions. It introduces people to the City of Grand Rapids who may consider moving their residence or business to the community. Visitor-oriented businesses and amenities like restaurants, meeting rooms, trails, and retail establishments typically improve the quality of life in the community and are valued by area residents and businesses.

## Implementation Strategies



The implementation strategies defined within the following pages provide specific actions and measures that the City can deploy to meet the goals and objectives of this chapter. The strategies identified in the following table should be reviewed on a regular basis to ensure that the City continues

to take action towards its desired future. Additionally, this list should be updated and modified as strategies are accomplished.

**Implementation Strategy –**  
Defined action or measure that the city will work towards to achieve the goals and vision of the Comprehensive Plan.

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p><b>Business Retention/Expansion</b></p>	<p>Continue to monitor changes in the market and efforts needed for existing business retention and opportunities for expansion.</p>	<p>Support and participate actively in business retention and expansion programs with partners citywide, with an emphasis on primary sector businesses. Work to sustain businesses in their existing spaces, or to find new appropriate space for businesses looking to expand.</p>	<p>Same as Short Term Action</p>	<p><b>Primary:</b> Community Development <b>Secondary:</b> Economic Development Authority (EDA)</p>
<p><b>Market Research, Marketing and Promotion</b></p>	<p>Continue to support actions that market Grand Rapids' identity in regional and statewide markets, particularly in key tourism and targeted industry markets.</p>	<p>Consistent with the desired mix of land uses as discussed in the Comprehensive Plan, engage in direct marketing and solicitation of private development interest to create value on property that Grand Rapids Economic Development Authority (GREDA) controls.</p> <p>Refresh promotional efforts to market GREDA industrial parks and vacant commercial properties. Support marketing and recruitment efforts of others for new industrial tenants to the Eco-Industrial Park.</p> <p>Identify retail gaps and recruit businesses that meet market needs/opportunities.</p> <p>Partner with <i>Visit Grand Rapids</i> to commission a hotel and meeting space market study.</p>	<p>Encourage public and private sector entities to refresh branding and marketing goals on a regular basis.</p>	<p><b>Primary:</b> Community Development <b>Secondary:</b> Economic Development Authority (EDA)</p>

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p><b>Funding and Financing</b></p>	<p>Continue to develop ongoing funding and support for GREDA in order to assure ongoing implementation of economic development goals.</p>	<p>Seek more funding (such as the Small Cities Development Program) to expand and create programs enhancing/ rehabilitating existing commercial buildings, and market the programs to an expanded target area, consistent with the Comprehensive Plan.</p> <p>Review financing tools available to support entrepreneurs, existing industries and attract targeted industries with area lenders and economic development professionals. Identify challenges and gaps. Consider creation of funds that address the challenges and gaps (e.g. technology loan fund).</p>	<p>Same as Short Term Action</p>	<p><b>Primary:</b> Community Development <b>Secondary:</b> Economic Development Authority (EDA)</p>
<p><b>Downtown Revitalization</b></p>	<p>Continue support for events and temporary land uses in the downtown that create community-gathering places and activate the downtown, such as the farmers market, musical activities and the art crawl.</p>	<p>Promote and assist private investment interest in privately held priority sites identified within the <i>Downtown Redevelopment Master Plan</i> and <i>Riverfront Framework Plan</i>.</p> <p>Prepare an updated downtown revitalization and riverfront plan.</p> <p>Consider methods of facilitating public realm investments.</p> <p>Seek partners in developing new artistic and cultural assets.</p> <p>Enhance vitality of Central School block.</p> <p>Consider an area plan focused on improvements to the public realm and private commercial redevelopment along US Highway 2 corridor.</p>	<p>Same as Short Term Action</p>	<p><b>Primary:</b> Community Development <b>Secondary:</b> Housing and Redevelopment Authority (HRA), Engineering</p>

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p><b>Real Estate Development and Revitalization</b></p>	<p>Continue to link economic development initiatives to the Comprehensive Plan goals and objectives, including consistency with the Future Land Use Map and the policy preference to support and create high quality, high wage jobs.</p> <p>Maintain an up-to-date website that promotes GREDA capabilities, including available sites, incentive programs, research and Grand Rapids community assets.</p>	<p>Apply for Minnesota "shovel ready" certification from DEED for Industrial Park East.</p> <p>Aggressively market Block 5 (city-owned site, formerly Northern Recycling).</p> <p>Support reestablishment of an industry at the former Ainsworth site.</p> <p>Work with county and regional partners to address the MN Power site and other significant sites.</p> <p>Address lack of industrial building inventory. Consider creating “paper spec” industrial building options (e.g. 30,000 square feet, 50,000 sf, 80,000 sf) to provide greater certainty and reduce development timeframes for prospective users. Evaluate market potential for multi-tenant warehouse/production space. Explore how other communities have used non-profit and for-profit development corporations to invest in industrial real estate. Based on this research, develop an implementation strategy appropriate for Grand Rapids market and investment conditions.</p>	<p>Implement recommendations of the updated Downtown Revitalization and Riverfront Plan.</p>	<p><b>Primary:</b> Community Development</p> <p><b>Secondary:</b> Economic Development Authority (EDA)</p>

<p><b>Diversification</b></p>	<p>Recognize the components of the existing market and identify areas for diversification.</p>	<p>Recognize the components of the existing market and identify areas for diversification.</p>	<p>Investigate competitive opportunities to use Grand Rapid’s information and communications infrastructure to develop businesses that have a state, regional or national market, including business services such as insurance company back office operations, software maintenance and development, customer service operations, sales and consulting operations, and micro-office (home-based or co-work) service businesses.</p> <p>Support continual investment in medical technology, training, and marketing to enhance Grand Rapids position as the regional center for medical services.</p> <p>Create programs or other support to ensure that opportunities for entrepreneurs (capital, space, technical assistance, etc.) match the evolution of markets.</p>	<p><b>Primary:</b> Community Development <b>Secondary:</b> Economic Development Authority (EDA)</p>
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Diversification (Continued)

Recognize the components of the existing market and identify areas for diversification.

Recognize the components of the existing market and identify areas for diversification.

Encourage existing businesses to meet the evolving demand for services and goods that accompanies the demographic changes occurring in Grand Rapids and the market opportunities associated with a new generation of potential visitors.

Work with State and local partners to identify under-used local resources and facilitate entrepreneurial efforts to treat waste products as a resource, including waste heat and waste materials from industrial operations. Consider opportunities for programs supporting new markets such as bio-energy.

Support manufacturers' efforts to diversify product lines and create products that address diverse markets to provide greater stability through various economic cycles.

**Primary:** Community Development  
**Secondary:** Economic Development Authority (EDA)



Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p><b>Workforce</b></p>	<p>Continue to monitor employment rates and unfilled positions across various sectors</p>	<p>Work with DEED regional labor market analyst to identify existing and anticipated skills shortages in the Grand Rapids area.</p> <p>Support initiatives that strengthen retention of existing talent, including retention of older workers in the labor force and engagement of young people in leadership and community development. Long-term implementation strategies are described below.</p>	<p>Work with the School District and Itasca Community College to develop additional educational infrastructure to support existing and emerging industries.</p>	<p><b>Primary:</b> Community Development</p> <p><b>Secondary:</b> Economic Development Authority (EDA)</p>

Implementation Strategy	On-Going Action	Short Term Action	Long Term Action	Responsible Parties
<p><b>Policy and Infrastructure to Support Economic Development</b></p>	<p>Promote and support the continued work of the Grand Rapids Economic Development Authority.</p> <p>Collaborate with the Itasca EDC on regional economic development efforts.</p>	<p>Promote and support the continued work of the Grand Rapids Economic Development Authority.</p> <p>Collaborate with the Itasca EDC on regional economic development efforts.</p>	<p>Explore options for getting 4-lane access to Grand Rapids. Establish a coalition to advocate for transportation improvements to Grand Rapids.</p> <p>Recognize the City’s arts, recreation and entertainment assets as a critical component of meeting economic development and talent retention/attraction goals. Consider programs to encourage artistic and cultural entrepreneurs, reduce seasonality and extend the season for the visitor industry.</p> <p>Continue to prioritize high quality, high wage jobs in economic incentive programs. Consider opportunities for additional regulatory efficiencies to minimize barriers to business expansion</p>	<p><b>Primary:</b> Community Development</p> <p><b>Secondary:</b> Economic Development Authority (EDA)</p>

**GREDA  
2024 Work Plan Development**

List of Potential Work Items  
12/14/23 Meeting

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- 2. \_\_\_\_\_
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