

# CITY OF GRAND RAPIDS



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

## **Meeting Agenda Full Detail - Final**

**Monday, September 10, 2012**

**5:00 PM**

**City Hall Council Chambers**

**City Council**

**5:00 p.m. CALL TO ORDER:** Pursuant to due notice and call thereof a Regular Meeting of the Grand Rapids City Council will be held on Monday, September 10, 2012 - 5:00 p.m. in Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

**5:01 p.m. CALL OF ROLL**

**5:02 p.m. PRESENTATIONS/PROCLAMATIONS**

[12-0553](#) Proclaim September 17th through 23rd, 2012 as Constitution Week.

**Attachments:** [Constitution Week Proclamation](#)

**5:07 p.m. MEETING PROTOCOL POLICY**

*Please be aware that the Council has adopted a Meeting Protocol Policy which informs attendees of the Council's desire to conduct meetings in an orderly manner which welcomes all civil input from citizens and interested parties. If you are unaware of the policy, copies (orange color) are available in the wall file by the Council entrance.*

**5:08 p.m. PUBLIC FORUM**

**5:13 p.m. COUNCIL REPORTS**

**5:18 p.m. APPROVAL OF MINUTES**

[12-0552](#) Approve Council minutes for August 27, 2012 worksession and regular meetings.

**Attachments:** [August 27, 2012 Worksession](#)  
[August 27, 2012 Regular Meeting](#)

**5:19 p.m. CONSENT AGENDA**

*Any item on the consent agenda shall be removed for consideration by request of any one Councilmember, City staff, or the public and put on the regular agenda for discussion and consideration.*

1. [12-0547](#)

Request by the Police Department to approve the resolution accepting a donation of \$700.00 from the Itasca Vintage Car Club for the Grand Rapids Police Reserves equipment fund.

**Attachments:** [PD Reserves Resolution](#)
  
2. [12-0555](#)

Request by the Grand Rapids Police Department to consider approving a Resolution and authorize the Grand Rapids City Mayor, Grand Rapids Police Chief and City Administrator to sign the attached Joint Powers Agreement between the State of Minnesota, acting through its Commissioner of Public Safety, Bureau of Criminal Apprehension and the City of Grand Rapids, Police Department.

**Attachments:** [JPA 2012-13](#)  
[MN Joint Powers Res](#)
  
3. [12-0568](#)

Consider approving a Subordination Agreement pertaining to Glen's Army/Navy Small Cities Development Program (SCDP) Commercial Rehabilitation loan.

**Attachments:** [Glen's Subordination.pdf](#)
  
4. [12-0569](#)

Consider approving issuance of the Central School Adaptive Re-Use RFP

**Attachments:** [Draft Central School Adaptive Re-use RFP.pdf](#)
  
5. [12-0570](#)

Request by the Police Department to apply for a 2012 Enbridge Safe Community Grant.
  
6. [12-0572](#)

Consider adopting a resolution accepting a grant from IRRRB for site development costs associated with the DC Manufacturing project and transferring the grant proceeds to GREDA for contracting and project administration, and further to authorize the Mayor and City Administrator's execution of the grant agreement.

**Attachments:** [Resolution accepting IRRRB Grant 9-10-12.pdf](#)  
[IRRRB Grant Agreement - DC Manufacturing.pdf](#)
  
7. [12-0573](#)

Entering into rental agreements with area businesses for advertising at the IRA Civic Center.

**Attachments:** [09-10-12-advertising contracts to be signed](#)
  
8. [12-0574](#)

Consider approving a Satisfaction of Mortgage for homeowner with household number 019643 who has satisfied the requirements of the Department of Trade and Economic Development Home Rehabilitation Grant Program and authorizing the necessary signatures.

9. [12-0575](#) Approve the hiring of a temporary employee with the IRA Civic Center and Grand Rapids Sports Complex beginning September 11, 2012.
10. [12-0576](#) Consider adopting a resolution approving an operating transfer from the Permanent Improvement Revolving Fund to the Grand Rapids Public Library Fund in the amount of \$6,476.50.  
**Attachments:** [\\$6,476.50 operating transfer from PIR to 211-solar panel.pdf](#)
11. [12-0580](#) Accept the capital campaign feasibility study for the Active Living Center at the YMCA.
12. [12-0584](#) Approve Customized Training Income Contract with Mesabi Range Community & Technical College.  
**Attachments:** [Mesabi Range Training Contract](#)
13. [12-0586](#) Change Order 1 and Work Order 1 related to CP 2011-6, Horseshoe Lake Road Improvements.  
**Attachments:** [9-10-12 Attachment CP 2011-6 CO 1 and WO 1.pdf](#)  
[9-10-12 Attachment Drawing CP 2011-6 CO 1 and WO 1.pdf](#)
14. [12-0587](#) A resolution committing to the local match for a MN DNR Legacy Trail Grant for CP 2012-7, TH 169 Multi-Use Trail, Phase 3.  
**Attachments:** [9-10-12 Attachment CP 2012-7 Grant Resolution.pdf](#)  
[Trail Location Map 092611 8 5x11.pdf](#)
15. [12-0592](#) MacRostie Art Center request for Temporary Liquor License for October 5, 2012, November 2, 2012 and December 7, 2012.  
**Attachments:** [MacRostie Art Center](#)
16. [12-0593](#) Appointments to Boards and Commissions.

**5:24 SETTING OF REGULAR AGENDA**  
p.m.

*This is an opportunity to approve the regular agenda as presented or add/delete by a majority vote of the Council members present an agenda item.*

**5:25 DEPARTMENT HEAD REPORT**  
p.m.

17. [12-0578](#) Department Head Report-Police  
**Attachments:** [Microsoft PowerPoint - Grand Rapids Police Department six month report 2012](#)

**5:35 COMMUNITY DEVELOPMENT**  
p.m.

18. [12-0524](#) Appointment of Travis Cole to the position of Building Official.

**5:40 FINANCE DEPARTMENT**  
p.m.

19. [12-0577](#) Consider approving a resolution adopting the 2012 proposed levy/collectible in 2012 and setting December 10, 2012 at 6 p.m. to discuss the proposed budget, levy and allow for public comment and December 17, 2012 for the subsequent meeting to adopt the final levy and budget.

**Attachments:** [2012 Preliminary Levy and Tax Rate.pdf](#)  
[Recap Rev, Expenditures & Levy.pdf](#)  
[Resolution-Adopt Preliminary Levy 091012](#)

**5:50 ADMINISTRATION DEPARTMENT**  
p.m.

20. [12-0581](#) Commit funds from sale of old Grand Rapids Township Hall to the Active Living Center Capital Campaign.

**Attachments:** [Capital Consulting Contract \(2\) Aug 2012](#)  
[Itasca County Family YMCA Capital Timeline](#)

**Recess regular meeting for scheduled public hearings.****6:00 PUBLIC HEARINGS**  
p.m.

21. [12-0589](#) Conduct a public hearing to consider granting an Economic Development Tax Abatement within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.

**Attachments:** [Staff Review Worksheet.pdf](#)  
[Springsted Abatement Analysis DC Manuf.pdf](#)

22. [12-0588](#) Conduct a public hearing to consider a business subsidy within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.

**Attachments:** [DC Mfg Purchase and Development Contract - 407536v3.pdf](#)

**6:30 Reconvene regular meeting.**  
p.m.

**6:30 COMMUNITY DEVELOPMENT**

p.m.

23. [12-0590](#) Consider adopting a resolution granting a property tax abatement and approving a Purchase and Development Contract (Including a Business Subsidy Agreement) for certain property in the City of Grand Rapids, subject to approval by GREDA and the Itasca County Board.

**Attachments:** [Grand Rapids abatement reso Cutsforth - 410439v1 \(2\).pdf](#)  
[DC Mfg Purchase and Development Contract - 407536v3.pdf](#)

**6:35 VERIFIED CLAIMS**

p.m.

24. [12-0585](#) Consider approving the verified claims for the period August 21, 2012 to August 31, 2012 in the total amount of \$1,023,680.12.

**Requested City Council Action**

Consider approving the verified claims for the period August 21, 2012 to August 31, 2012 in the total amount of \$1,023,680.12.

**Attachments:** [09/10/2012 BILL LIST.pdf](#)

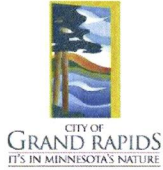
**6:36 ADJOURNMENT**

p.m.

*NEXT REGULAR MEETING IS SCHEDULED FOR MONDAY, SEPTEMBER 24, 2012 AT 5:00 P.M.*

*NOTE: These times are approximate only and are subject to change. If you are interested in a topic of discussion you should appear at least 10 minutes before its scheduled time.*

*Hearing Assistance Available: This facility is equipped with a hearing assistance system.*



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

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**File #:** 12-0553      **Version:** 1      **Name:** Constitution Week  
**Type:** Agenda Item      **Status:** PRESENTATIONS/PROCLAMATIONS  
**File created:** 8/30/2012      **In control:** Administration  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Proclaim September 17th through 23rd, 2012 as Constitution Week.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Constitution Week Proclamation](#)

Date	Ver.	Action By	Action	Result
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*Title*  
Proclaim September 17th through 23rd, 2012 as Constitution Week.

# PROCLAMATION

## CONSTITUTION WEEK

WHEREAS: The Constitution of the United States of America, the guardian of our liberties, embodies the principles of limited government in a Republic dedicated to rule by law; and

WHEREAS: September 17, 2012, marks the two hundred twenty-fifth anniversary of the framing of the Constitution of the United States of America by the Constitutional Convention; and

WHEREAS: It is fitting and proper to accord official recognition to this magnificent document and its memorable anniversary, and to the patriotic celebrations which will commemorate it; and

WHEREAS: Public Law 915 guarantees the issuing of a proclamation each year by the President of the United States of America designating September 17 through 23 as Constitution Week.

THEREFORE BE IT RESOLVED: that Dale Adams, Mayor of the City of Grand Rapids, does hereby officially proclaim September 17 through 23, 2012 as

## *CONSTITUTION WEEK*

and ask our citizens to reaffirm the ideals the Framers of the Constitution had in 1787 by vigilantly protecting the freedoms guaranteed to us through this guardian of our liberties.

IN WITNESS WHEREOF, I have hereto  
subscribed my name and the seal of the City  
of Grand Rapids, Minnesota, this 10<sup>TH</sup> day  
of September, Two thousand and twelve.

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Dale Adams, Mayor  
City of Grand Rapids





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# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0552      **Version:** 1      **Name:** Council Minutes  
**Type:** Agenda Item      **Status:** Approval of Minutes  
**File created:** 8/30/2012      **In control:** Administration  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Approve Council minutes for August 27, 2012 worksession and regular meetings.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [August 27, 2012 Worksession](#)  
[August 27, 2012 Regular Meeting](#)

Date	Ver.	Action By	Action	Result
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*Title*

Approve Council minutes for August 27, 2012 worksession and regular meetings.



# CITY OF GRAND RAPIDS

## Minutes - Final - Draft City Council Work Session

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Monday, August 27, 2012

4:00 PM

Conference Room 2A

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**CALL TO ORDER: Pursuant to due notice and call thereof a Special Meeting/Worksession of the Grand Rapids City Council was held on Monday, August 27, 2012 at 4:00 p.m. in Conference Room 2A, 420 North Pokegama Avenue, Grand Rapids, Minnesota.**

**CALL OF ROLL: On a call of roll, the following members were present:**

**Present** 4 - Mayor Dale Adams, Councilor Dale Christy, Councilor Ed Zabinski, and Councilor Joe Chandler  
**Absent** 1 - Councilor Gary McInerney

### Discussion Items

1. Discuss the 2013 proposed budget.  
  
*City Administrator Gillen reviews levy process and proposed tax rate. Finance Director Miller discusses remaining budgets for review for City departments. Detailed discussion regarding full-time Fire Chief proposal. Budget discussion will continue at the September 4, 2012 special budget meeting.*
2. Discuss the schedule of pending processes associated with the DC Manufacturing project  
  
*Community Development Director, Rob Mattei, reviews request by DC Manufacturing and explains proposed timeline. Mr. Mattei will continue to update Council as progress is made.*
3. Discuss Arbo Township  
  
*Tarry Eddington, Chair of Arbo Township Board, is present to answer questions for Council. City Administrator Gillen reviews proposed agreement.*

**Review 5:00 p.m. regular meeting and other business as noted.**

### ADJOURN

*There being no further business, the meeting adjourned at 5:30 p.m.*

*Respectfully submitted: Kimberly Johnson-Gibeau, City Clerk*



# CITY OF GRAND RAPIDS

## Minutes - Final - Draft City Council

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Monday, August 27, 2012

5:00 PM

City Hall Council Chambers

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**5:00 pm CALL TO ORDER: Pursuant to due notice and call thereof a Regular Meeting of the Grand Rapids City Council was held on Monday, August 27, 2012 - 5:33 p.m. in Council Chambers, 420 North Pokegama Avenue, Grand Rapids, Minnesota.**

### CALL OF ROLL

**Present** 4 -

Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

**Absent** 1 -

Councilor Gary McInerney

### MEETING PROTOCOL POLICY

**5:01 pm PUBLIC FORUM**

**5:06 pm COUNCIL REPORTS**

**5:10 pm APPROVAL OF MINUTES**

Approve minutes for Monday, August 13, 2012 Worksession and Regular Meetings and August 6, 2012 Special Meeting.

**A motion was made by Councilor Joe Chandler, seconded by Councilor Ed Zabinski, to approve Council minutes as presented. The motion PASSED by unanimous vote.**

**5:11 pm CONSENT AGENDA**

1. Consider approving a variance to the Investment Policy to make the date of July 31, 2012 as the date to use in determining the 20% nonlocal investment amount for 2012.

**Approved by consent roll call**

2. Consider approving Change Order #1 in the amount of \$2,000 for Davis Contracting, Inc. for the Central School foundation repair project.

**Approved by consent roll call**

3. A resolution declaring the cost to be assessed and ordering the preparation of proposed assessments for 19th Avenue NW Rail Improvements/Closures, CP 2010-3.

**Adopted Resolution 12-76 by consent roll call vote**

4. A resolution declaring the cost to be assessed and ordering the preparation of proposed assessments for Horseshoe-Isleview Partial Reconstruction, CP 2011-4.

**Adopted Resolution 12-77 by consent roll call vote**

5. A resolution establishing a public hearing on proposed assessments for CP 2010-3, 19th Avenue NW Rail Crossing Improvements/Closures.

**Adopted Resolution 12-78 by consent roll call vote**

6. A resolution for public hearing on proposed assessments on Horseshoe-Isleview Partion Reconstruction, CP 2011-4.

**Adopted Resolution 12-79 by consent roll call vote**

7. Approve hiring of part time employees with the Grand Rapids Park and Recreation Department

**Approved by consent roll call**

8. Arbo Township Contract

**Approved by consent roll call**

9. Request by the Police Department to hold and auction and sell impounded and forfeited vehicles.

**Approved by consent roll call**

10. Request by the Police Department to sell our impounded and forfeited vehicles at the Minnesota DNR auction.

**Approved by consent roll call**

11. A resolution declaring the cost to be assessed and ording the preparation of final assessments for CP 2010-3, 19th Avenue Rail Crosing Improvements/Closures.

**This item is a duplicate and therefore obsolete.**

12. A resolution declaring the cost to be assessed and ording the preparation of final assessments for CP 2011-4, Horseshoe-Isleview Partial Reconditioning Project.

**This item is a duplicate and therefore obsolete.**

13. A resolution declaring the cost to be assessed and ording the preparation of final assessments for CP 2014-1, 1st Avenue NE Reconstruction  
**Adopted Resolution 12-80 by consent roll call vote**
14. A resolution establishing a public hearing on proposed assessments for CP 2014-1, 1st Avenue NE Reconstruction.  
**Adopted Resolution 12-81 by consent roll call vote**
15. A resolution establishing a public hearing on proposed assessments for CP 2011-4, Horseshoe-Isleview Partial Reconstruction.  
**This item is a duplicate and therefore obsolete.**
16. A resolution establishing a public hearing on proposed assessments for CP 2010-3, 19th Avenue NW Rail Crossing Improvements/Closures.  
**This item is a duplicate and therefore obsolete.**
17. Greens Aerifier Purchase  
**Approved by consent roll call**
18. Seasonal Golf Employee  
**Approved by consent roll call**

**Approval of the Consent Agenda**

**A motion was made by Councilor Zabinski, seconded by Councilor Christy, to Approve the Consent Agenda as presented. The motion carried by the following vote**

**Aye 4 -**

Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

**5:13 SETTING OF REGULAR AGENDA  
pm**

**A motion was made by Councilor Joe Chandler, seconded by Councilor Ed Zabinski, to approve the Regular Agenda as presented. The motion PASSED by unanimous vote.**

**5:14 ACKNOWLEDGE BOARDS & COMMISSIONS  
pm**

19. Acknowledge minutes for Boards & Commissions.
- July 11, 2012 Library Board  
July 17, 2012 Golf Board  
July 18, 2012 PUC Regular Meeting  
July 18, 2012 PUC Special Meeting*

**Acknowledge Boards and Commissions****5:15 DEPARTMENT HEAD REPORT**  
**pm**

20. HRA - Jerry Culliton

*Public Works Director, Jeff Davies, provides update on storm cleanup, asking residents to call if there is still debris that needs to be cleared away.*

**Postponed**

**5:25 ENGINEERING**  
**pm**

21. A contract for municipal engineering services with Short Elliott Hendrickson.

**A motion was made by Councilor Zabinski, seconded by Councilor Christy, to approve a contract for municipal engineering services with Short Elliott Hendrickson. The motion carried by the following vote.**

**Aye 4 -**

Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

**5:30 VERIFIED CLAIMS**  
**pm**

Approve verified claims.

**A motion was made by Councilor Zabinski, seconded by Councilor Christy to approve the verified claims as presented. The motion carried by the following vote.**

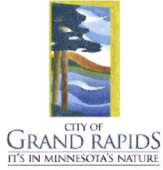
**Aye 4 -**

Councilor Dale Christy, Councilor Ed Zabinski, Councilor Joe Chandler, and Mayor Dale Adams

**5:40 ADJOURNMENT**  
**pm**

*There being no further business, the meeting adjourned at 5:54 pm*

*Respectfully submitted: Kimberly Johnson-Gibeau, City Clerk*



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0547      **Version:** 1      **Name:** Accept a \$700.00 Donation to the Grand Rapids Police Reserves from the Itasca Vintage Car Club.  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 8/27/2012      **In control:** Police  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Accept a \$700.00 Donation to the Grand Rapids Police Reserves from the Itasca Vintage Car Club.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [PD Reserves Resolution](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Request by the Police Department to approve the resolution accepting a donation of \$700.00 from the Itasca Vintage Car Club for the Grand Rapids Police Reserves equipment fund.

### *Body*

#### **Background Information:**

The Grand Rapids Police Departments Police Reserve Officers have been providing security at the Itasca County Fairgrounds for the Itasca Vintage Car Club swap meet for the past several years.

In appreciation for this service the Itasca Vintage Car Club has donated to the Grand Rapids Police Reserve Program \$700.00 for their equipment fund.

#### **Requested City Council Action**

Consider approving a resolution to accept the \$700.00 donation to the Grand Rapids Reserve equipment fund from the Itasca Vintage Car Club.

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

RESOLUTION NO. 12-

A RESOLUTION ACCEPTING A \$700 DONATION FROM THE ITASCA VINTAGE CAR CLUB, INC TO THE GRAND RAPIDS POLICE RESERVES TO BE USED FOR PURCHASING EQUIPMENT

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, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donation and terms of the donor as follows:

- The Grand Rapids Police Departments Police Reserve Officers have been providing security at the Itasca County Fairgrounds for the Itasca Vintage Car Club swap meet for the past several years and are using the donation for equipment.

Adopted this 10th day of September, 2012

\_\_\_\_\_  
Dale C. Adams, Mayor

Attest:

\_\_\_\_\_  
Kimberly Johnson-Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.





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# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0555      **Version:** 1      **Name:** Authorize the Signing of a Joint Powers Agreement between the Police Department and State of Minnesota

**Type:** Agenda Item      **Status:** Consent Agenda

**File created:** 8/30/2012      **In control:** Police

**On agenda:** 9/10/2012      **Final action:**

**Title:** Request by the Grand Rapids Police Department to consider approving a Resolution and authorize the Grand Rapids City Mayor, Grand Rapids Police Chief and City Administrator to sign the attached Joint Powers Agreement between the State of Minnesota, acting through its Commissioner of Public Safety, Bureau of Criminal Apprehension and the City of Grand Rapids, Police Department.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [JPA 2012-13](#)  
[MN Joint Powers Res](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Request by the Grand Rapids Police Department to consider approving a Resolution and authorize the Grand Rapids City Mayor, Grand Rapids Police Chief and City Administrator to sign the attached Joint Powers Agreement between the State of Minnesota, acting through its Commissioner of Public Safety, Bureau of Criminal Apprehension and the City of Grand Rapids, Police Department.

### *Body*

#### **Background Information:**

At a previous Council meeting the City of Grand Rapids and its Police Department had entered into a Multi-Agency Agreement with the Minnesota Internet Crimes Against Children Task Force.

As part of this agreement the Task Force will assist law enforcement in investigating and combating the exploitation of children which occurs through the use of computers by providing funding for equipment, training, and expenses, including travel and overtime funding, which are incurred by law enforcement as a result of such investigations.

The current Minnesota Internet Crimes Against Children Task Force Joint Powers Agreement has expired. The State of Minnesota requires that the Joint Powers Agreement (JPA) correspond to the annual federal grant cycle. Therefore the JPA that is attached will cover the 2012-2013 grant cycle and will expire again on May 31, 2013.

#### **Requested City Council Action**

Consider approving the Resolution and authorize the Grand Rapids City Mayor, Grand Rapids Police Chief and City Administrator to sign the attached Joint Powers Agreement between the State of Minnesota, acting through its Commissioner of Public Safety, Bureau of Criminal Apprehension. and the City of Grand Rapids, Police Department.

Minnesota Internet Crimes Against Children Task Force

**Multi-Agency Law Enforcement Joint Powers Agreement**

This Multi-Agency Law Enforcement Joint Powers Agreement, and amendments and supplements thereto, ("Agreement") is between the State of Minnesota, acting through its Commissioner of Public Safety, Bureau of Criminal Apprehension ("Grantee"), empowered to enter into this Agreement pursuant to Minn. Stat. § 471.59, Subd. 10 & 12, and City of Grand Rapids, acting through its Grand Rapids Police Department located at 420 Pokegama Ave. North, Grand Rapids, MN 55744, ("Undersigned Law Enforcement Agency"), empowered to enter into this Agreement pursuant to Minn. Stat. § 471.59, subd. 10,

**Whereas**, the above subscribed parties have joined together in a multi-agency task force intended to investigate and prosecute crimes committed against children and the criminal exploitation of children that is committed and/or facilitated by or through the use of computers, and to disrupt and dismantle organizations engaging in such activity; and

**Whereas**, the undersigned agencies agree to utilize applicable state and federal laws to prosecute criminal, civil, and forfeiture actions against identified violators, as appropriate; and

**Whereas**, the Grantee is the recipient of a federal grant (attached to this Agreement as Exhibit A) disbursed by the Office of Juvenile Justice and Delinquency Prevention ("OJJDP") in Washington, D.C. to assist law enforcement in investigating and combating the exploitation of children which occurs through the use of computers by providing funding for equipment, training, and expenses, including travel and overtime funding, which are incurred by law enforcement as a result of such investigations; and

**Whereas**, the OJJDP Internet Crimes Against Children ("ICAC") has established a Working Group of Directors representing each of the existing ICAC Task Forces to oversee the operation of the grant and sub-grant recipients; and the State of Minnesota, acting through its Commissioner of Public Safety, Bureau of Criminal Apprehension has designated Donald Cheung as the Commander of the Minnesota ICAC Task Force.

**Now Therefore**, the parties agree as follows:

1. The Undersigned Law Enforcement Agency approves, authorizes, and enters into this Agreement with the purpose of implementing a three-pronged approach to combat Internet Crimes Against Children: **prevention, education and enforcement**; and
2. The Undersigned Law Enforcement Agency shall adhere to the Minnesota ICAC Task Force Program Standards contained in Exhibit B attached to this Agreement, in addition to complying with applicable Minnesota state and federal laws in the performance of this Agreement, including conducting undercover operations relative to ICAC, ; a list of Regional ICAC Task Force, Minnesota State Affiliate Agency and Training & Technical Assistance

Program contact information is contained in Exhibit C attached to this Agreement; and

3. Exhibits A and B are incorporated into this Agreement and made a part thereof. In the event of a conflict between this Agreement and the Exhibits, the terms of the Exhibits prevail; and
4. The Undersigned Law Enforcement Agency and the Grantee agree that each party will be responsible for its own acts and the results thereof to the extent authorized by law and shall not be responsible for the acts of any others and the results thereof. The Grantee's liability shall be governed by the provisions of the Minnesota Tort Claims Act, Minnesota Statutes, Section 3.736, and other applicable law. The Undersigned Law Enforcement Agency's liability shall be governed by the provisions of the Municipal Tort Claims Act, Minnesota Statutes, Section 466.01 - 466.15, and other applicable law; and
5. All members of the Undersigned Law Enforcement Agency shall continue to be employed and directly supervised by the same Law Enforcement Agency employer which currently employs the member performing Minnesota ICAC Task Force assignments; and all services, duties, acts or omissions performed by the member will be within the course and duty of that employment, and therefore, are covered by the Workers Compensation programs of that employer; will be paid by that employer and entitled to that employer's fringe benefits; and
6. The Undersigned Law Enforcement Agency must first submit a written request for funds and receive approval for the funds from the Grantee to receive any funds from the Grantee; and
7. The Undersigned Law Enforcement Agency must supply original receipts to be reimbursed on pre-approved requests. Approved reimbursement will be paid directly by the Grantee to the Undersigned Law Enforcement Agency within 30 days of the date of invoice, with payment made out to the City of Grand Rapids and mailed to the Grand Rapids Police Department, 420 Pokegama Ave. North, Grand Rapids, MN 55744.
8. The Undersigned Law Enforcement Agency shall maintain accurate records pertaining to prevention, education, and enforcement activities, to be collected and forwarded monthly to the Minnesota ICAC Task Force Commander or his designee for statistical reporting purposes; and
9. The Undersigned Law Enforcement Agency shall participate fully in any audits required by the OJJDP. In addition, under Minn. Stat. § 16C.05, subd. 5, the Undersigned law Enforcement Agency's books, records, documents, and accounting procedures and practices relevant to this Agreement are subject to examination by the Grantee and/or the Minnesota State Auditor or Legislative Auditor, as appropriate, for a minimum of six years from the end date of this Agreement; and
10. The Undersigned Law Enforcement Agency shall make a reasonable good faith attempt to be represented at any scheduled regional meetings in order to share information and resources amongst the multiple entities; and

11. The Undersigned Law Enforcement Agency shall be solely responsible for forwarding information relative to investigative targets to the Child Pornography Pointer System (CPPS) pursuant to the OJJDP guidelines; and
12. The Undersigned Law Enforcement Agency shall provide the Minnesota ICAC Task Force Commander in a timely manner all investigative equipment that was acquired through OJJDP grant funding; in the event that future federal funding is no longer available, the Undersigned Law Enforcement Agency decides to dissolve its binding relationship with the Minnesota ICAC Task Force and the State of Minnesota Department of Public Safety, or the Undersigned Law Enforcement Agency breaches the Agreement.
13. That the Grantee may reimburse, the Undersigned Law Enforcement Agency for the following duties:
  - A. Investigations by the Undersigned Law Enforcement Agency under this agreement should be conducted in accordance with the OJJDP ICAC Task Force Program Standards contained in Exhibit B, and concluded in a timely manner. The Undersigned Law Enforcement Agency will only be reimbursed by the Grantee for overtime hours inclusive of fringe benefits of actual hours and/or actual expenses incurred related to performing Minnesota ICAC Task Force assignments and/or training approved by the Minnesota ICAC Task Force Commander through the term of this agreement or until all Federal funds under the OJJDP grant have been expended, whichever comes first.
  - B. The Grantee has a **TOTAL** Expense Budget of \$320,000.00 that was approved under the OJJDP Internet Crimes Against Children ("ICAC") Grant for investigative hours and expense reimbursement. The Undersigned Law Enforcement Agency participating in the Minnesota ICAC Task Force investigations will be reimbursed by the Grantee for actual costs as defined in Clause 13, Section A., to the extent such actual costs have been reviewed and approved by the Minnesota ICAC Task Force Commander.
14. Any amendment to this Agreement must be in writing and will not be effective until it has been executed and approved by the same parties who executed and approved the original agreement, or their successors in office.
15. The Undersigned Law Enforcement Agency and the Grantee may terminate this Agreement at any time, with or without cause, upon 30 days' written notice to the other party.
16. **Terms of this agreement:**

This Agreement shall be effective on the date the Undersigned Law Enforcement Agency obtains all required signatures under Minn. Stat. § 16C.05, Subd. 2, and shall remain in effective through May 31, 2013, unless terminated or canceled. Nothing in this Agreement shall otherwise limit the jurisdiction, powers, and responsibilities normally possessed by an employee as a member of the Undersigned Law Enforcement Agency.

**1. Undersigned Law Enforcement Agency**

Undersigned Law Enforcement Agency certifies that the appropriate person(s) have executed the Agreement on behalf of the Undersigned Law Enforcement Agency and its jurisdictional government entity as required by applicable articles, laws, by-laws, resolutions, or ordinances.

\_\_\_\_\_  
By and Title  
Undersigned Law Enforcement Agency

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title:  
City of Grand Rapids

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title:  
City of Grand Rapids

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mayor or Board Chair  
City of Grand Rapids

\_\_\_\_\_  
Date

**2. Department or Public Safety,  
Bureau of Criminal Apprehension**

Name: \_\_\_\_\_

Signed: \_\_\_\_\_

Title: \_\_\_\_\_  
(With delegated authority)

\_\_\_\_\_  
Date

**3. Commissioner of Administration**

\_\_\_\_\_  
By and Title  
MN Department of Administration  
(With delegated authority)

\_\_\_\_\_  
Date

Councilor introduced the following resolution and moved for its adoption:

RESOLUTION NO. 12-

A RESOLUTION APPROVING STATE OF MINNESOTA JOINT POWERS AGREEMENT  
WITH THE CITY OF GRAND RAPIDS ON BEHALF OF ITS POLICE DEPARTMENT

WHEREAS, the City of Grand Rapids Police Department desires to enter into Joint Powers Agreement with the State of Minnesota, Department of Public Safety, Bureau of Criminal Apprehension to use systems and tools available over the State's criminal justice data communications network for which the City is eligible. The Joint Powers Agreement further provide the City with the ability to add, modify and delete connectivity, systems and tools over the five year life of the agreement and obligates the City to pay the costs for the network connection ; and

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

- That the State of Minnesota Joint Powers Agreement by and between the State of Minnesota acting through its Department of Public Safety, Bureau of Criminal Apprehension and the City of Grand Rapids Police Department, are hereby approved.
- That the Police Chief, James Denny, or his successor, is designated the Authorized Representative for the Police Department. The Authorized Representative is also authorized to sign any subsequent amendment or agreement that may be required by the State of Minnesota to maintain the City's connection to the systems and tools offered by the State.
- That Dale Adams, the Mayor for the City of Grand Rapids, Shawn Gillen, the City Administrator and James Denny, Police Chief are authorized to sign the State of Minnesota Joint Powers Agreements.

Adopted this 10<sup>th</sup> day of September, 2012

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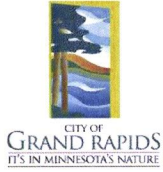
Dale C. Adams, Mayor

Attest:

---

Kimberly Johnson-Gibeau, City Clerk

Councilor whereby the resolution was declared duly passed and adopted.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0568      **Version:** 1      **Name:**  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/4/2012      **In control:** Community Development  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider approving a Subordination Agreement pertaining to Glen's Army/Navy Small Cities Development Program (SCDP) Commercial Rehabilitation loan.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Glen's Subordination.pdf](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Consider approving a Subordination Agreement pertaining to Glen's Army/Navy Small Cities Development Program (SCDP) Commercial Rehabilitation loan.

### *Body*

#### **Background Information:**

In 2009 the City of Grand Rapids was awarded a grant by DEED to establish a SCDP loan program for commercial rehabilitation projects, which was administered by GREDA. Under that program, Glen's Army/Navy was provided a deferred loan in the principal amount of \$25,252.32 for their project. Glen's has refinanced other debt and their lender, Grand Rapids State Bank, has asked that the City take a subordinate position. GREDA has reviewed the request, the appraised value of the property and the total amount of debt on the property and forwarded a recommendation that the City approve the subordination.

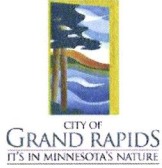
#### **Requested City Council Action**

Consider approving a Subordination Agreement pertaining to Glen's Army/Navy Small Cities Development Program (SCDP) Commercial Rehabilitation loan and authorize execution of the agreement by the Mayor and City Administrator

## Embedded Secure Document

The file <http://grandrapids.legistar.com/View.ashx?M=F&ID=2107637&GUID=A45385E8-B861-4FDA-895F-9E0304A99CF3> is a secure document that has been embedded in this document. Double click the pushpin to view.





# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0569      **Version:** 1      **Name:**  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/4/2012      **In control:** Community Development  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider approving issuance of the Central School Adaptive Re-Use RFP

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Draft Central School Adaptive Re-use RFP.pdf](#)

Date	Ver.	Action By	Action	Result
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*Title*

Consider approving issuance of the Central School Adaptive Re-Use RFP

*Body*

**Background Information:**

Within the City Council's Strategic Plan for 2012, the Council established an action item to: Address Central School inefficiencies related to occupancy, rent, and marketing issues. The City Council formed a task force to examine this issue and develop recommendations. The task force conducted a strategic planning session from which a report was issued to the City Council. After reviewing the recommendations within the report, the Council requested that staff prepare a Request for Proposals (RFP) seeking private sector interest in adaptive re-use of Central School.

The attached draft RFP was presented to the Central School Commission for their review at their regular meeting on August 16<sup>th</sup>, at which time they recommended its issuance to the City Council.

**Requested City Council Action**

Consider approving issuance of the Central School Adaptive Re-Use RFP

# REQUEST FOR PROPOSALS

FOR ADAPTIVE RE-USE,  
COMMERCIAL OR MIXED USE,  
OF CITY-OWNED  
“OLD CENTRAL SCHOOL”

(10 N.W. 5<sup>TH</sup> STREET, GRAND RAPIDS, MINNESOTA, 55744)



**View from US Highways 169/2 Intersection**

**SUBMISSION DEADLINE – Monday, December 10, 2012 at 4:00 P.M.**

**City of Grand Rapids – Community Development Department**  
420 Pokegama Avenue N.  
Grand Rapids, Minnesota 55744

Contact Rob Mattei, Community Development Director at [rmattei@ci.grand-rapids.mn.us](mailto:rmattei@ci.grand-rapids.mn.us)  
(218) 326-7622



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## I. INTRODUCTION

The City of Grand Rapids is hereby issuing a Request for Proposals (RFP) for an adaptive re-use of the Old Central School (Central School) building, resulting in the establishment of an economically viable commercial or mixed use development. Central School, located in downtown Grand Rapids, was built in 1895 in the Richardsonian Romanesque style of architecture. The three story building served as an elementary school from 1895 to 1972. A community effort restored the building in 1984 after its listing on the National Register of Historic Places in 1977. Central School has been managed by the Central School Commission (City appointed), since its restoration, as a multi-tenant location for commerce, culture and community events. Central School is situated on a full block in the center of the downtown business district, bounded by US Hwy. 2 on the south, 5<sup>th</sup> St. N. on the north, 1<sup>st</sup> Ave. W. on the west and Pokegama Avenue N. on the east.

The City's goal for this site is to partner with a qualified developer that can present an attractive, viable, plan for re-use of the building. The City would prefer to enter into a long term nominal lease with the developer who would, in turn, sublease, manage, and operate the facility.

Figure 1. Location Map

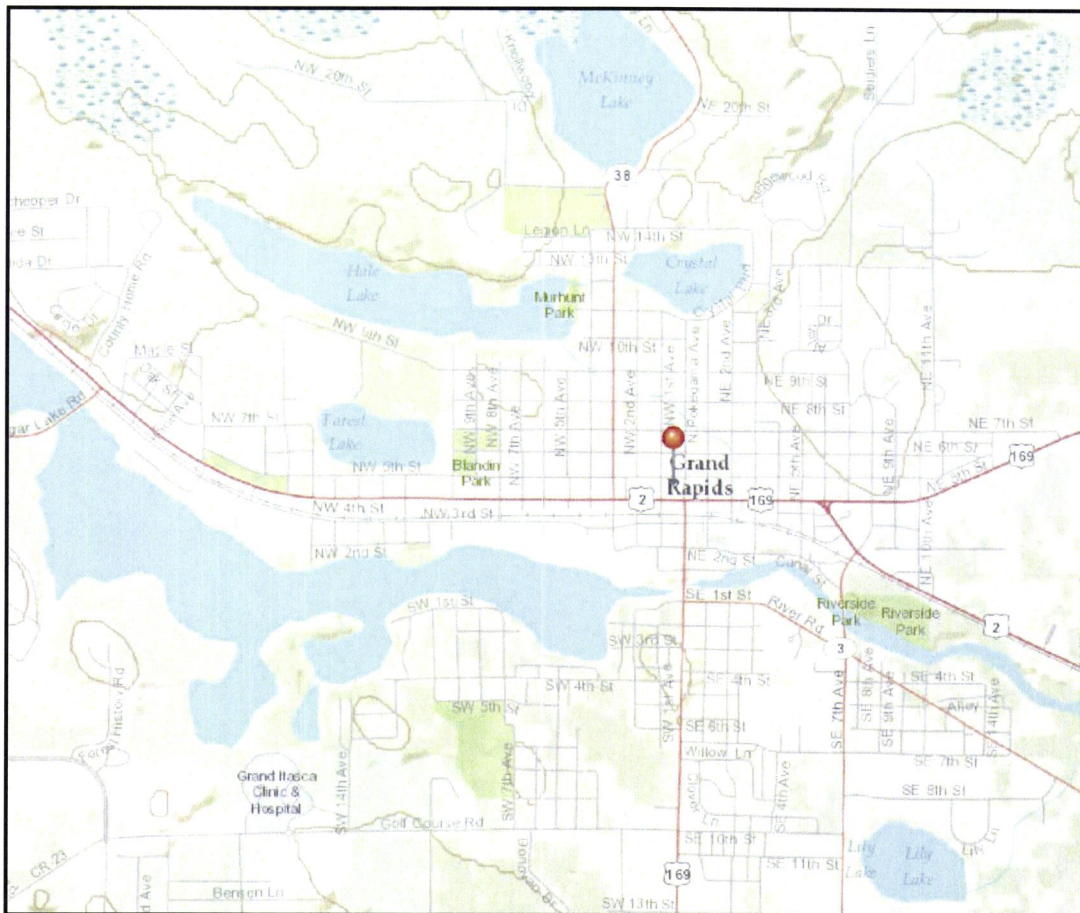
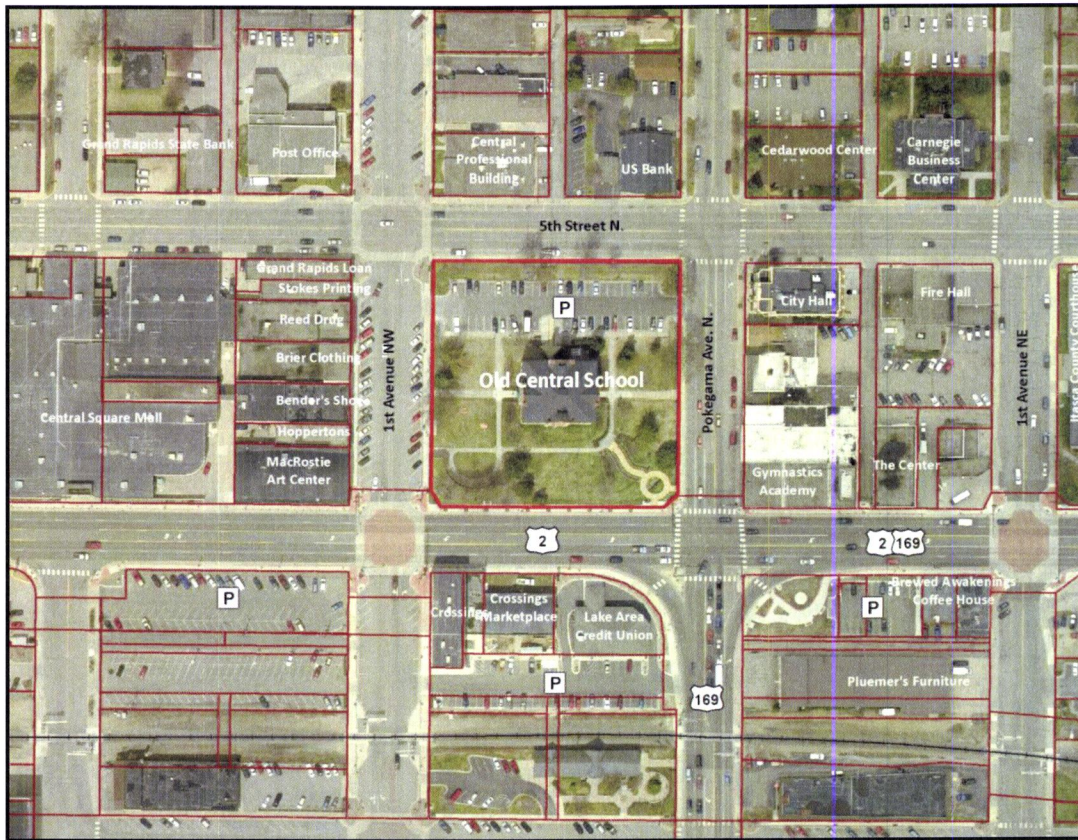


Figure 2. Site Area Map



## II. THE CITY'S FLEXIBLE APPROACH TO THIS RFP

While the RFP seeks an adaptive re-use of Central School that will preserve the building's status as a property on the National Historic Register, the City will not disqualify from consideration any proposals that take an alternative approach toward interior adaptations. The City will not, however, extend this flexibility to include development proposals that involve demolition or significant alterations to the building exterior.

## III. CENTRAL SCHOOL ADAPTIVE RE-USE DEVELOPMENT OBJECTIVES

The *Grand Rapids Downtown Redevelopment Master Plan* states what any resident or visitor to Grand Rapids would naturally conclude, that Central School is one of the most identifiable features of Grand Rapids. Central School's location at the convergence of US Hwy. 2 and US Hwy. 169, its surrounding landscaped park area, as well as the connection with the past established by its appealing architecture, make it focal point and a natural gathering place for community members and visitors to the area.

Downtown revitalization is an ongoing priority for the City. To this end, over the past several years, the City and the Grand Rapids Economic Development Authority have implemented many improvements to the public realm, through streetscaping and parking lot upgrades, and have invested in private redevelopment of key commercial blocks, such as the Block 37 Redevelopment (block south of Central School). The City's Downtown revitalization strategy, however, also strongly emphasizes the need to

maintain and enhance key structures that act as a “foundation” for success, such as Central School. Since its restoration in 1984, Central School has been managed and leased by a City appointed commission as a multi-tenant location for commercial, cultural and civic uses. While that business model functioned adequately for many years, the City would like to promote an innovative private sector development solution that will maximize the true potential of this asset.

#### **A. Vision**

The vision for the Central School involves a synergistic mix of uses that complements and enhances the historic character of the site and the retail, office, residential and institutional uses in and adjacent to the Downtown.

Such uses might include, but are not limited to: antique shops, furniture, home décor and housewares shops, clothing and jewelry boutiques, delicatessens, bakeries, caterers, restaurants, snack bars, cafes, brewpubs, salons, spas, art and photography studios, fitness studios, souvenir sales, hospitality uses, business equipment sales and service, general retail sales and service, administrative and business offices, professional offices, communication services, residential uses, perhaps including residential units above ground-floor and second floor commercial uses.

#### **B. Objectives**

The City of Grand Rapids seeks to achieve the following objectives within the Central School Adaptive Re-use Project:

1. Significantly enhance the economic vitality of Central School and the surrounding Downtown uses.
2. Establish a cohesive and synergistic mix of uses that add stability and diversity to the economic base of the City.
3. Maximize the efficient use of Central School.
4. In a manner that is consistent with the National Historic Preservation Act, preserve the historic and landmark nature of Central School through the renovation, reuse and interpretation of the building.
5. If needed or desired to supplement the mix of commercial uses in the building, encourage appropriate residential development that maximizes the value of Central School and its historic setting.
6. Retain and provide job opportunities for the citizens of Grand Rapids.
7. Enhance the tax base of the City.

### **IV. SITE INFORMATION**

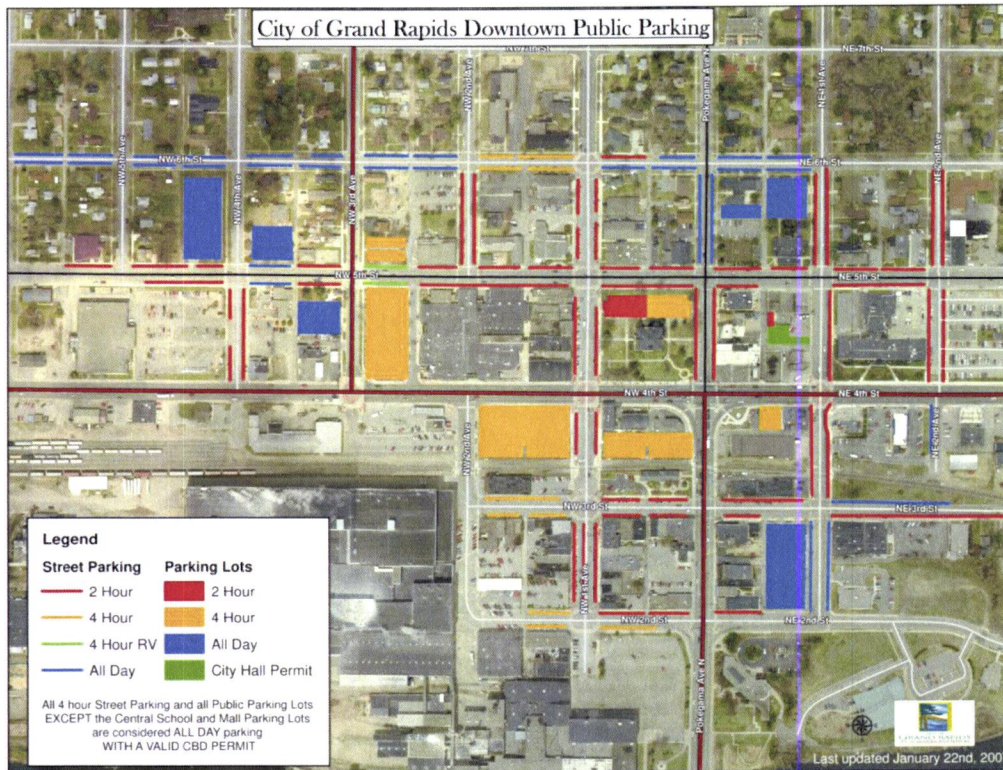
**A. Grounds Maintenance/Parking** - The landscaped and irrigated grounds are meticulously maintained by the City of Grand Rapids Public Works Department as a city park. The southeast yard area features a yellow brick pathway up to the building, a tribute to *Wizard of Oz* actress Judy Garland who hails from Grand Rapids. The southwest corner of the grounds features a small amphitheater for outdoor



concerts.

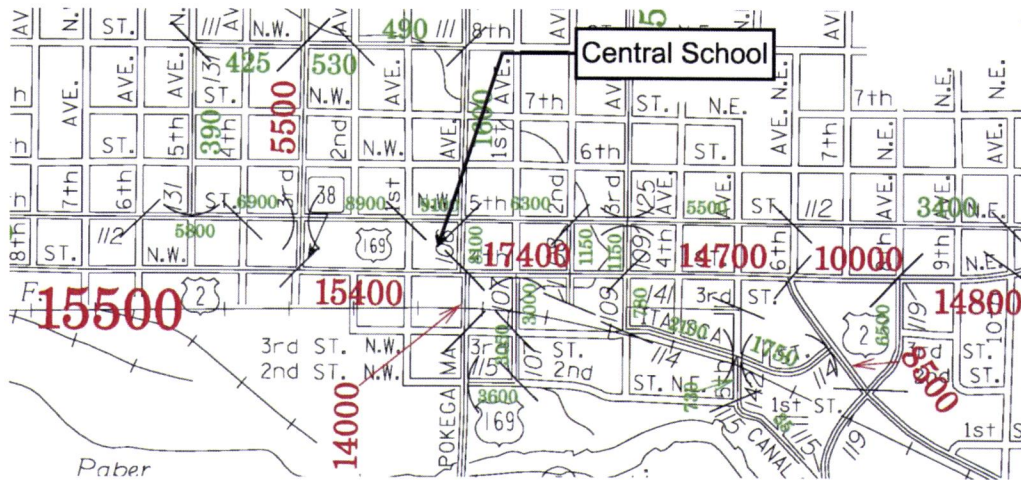
The public parking lot, which is owned by the City and is not exclusive to Central School uses, is located on the north end of the site and can be accessed off of Pokegama Avenue and 1<sup>st</sup> Ave. NW. The parking lot contains a total of 53 stalls, with additional street parking available along 1<sup>st</sup> Ave. NW. Currently, each tenant in Central School is provided one all-day parking permit. The parking lot is, otherwise, posted for 4 hour parking on the east half and 2 hour parking on the west half; however, the City will consider alternative proposals. Public parking throughout the Downtown is shown in the next page.

Figure 3. Downtown Parking Map



**B. Traffic/Streets** - Located at the intersection of US Hwy 2 and US Hwy 169 and bounded on the north by 5<sup>th</sup> St. N., a local arterial route, the Central School site is advantaged by excellent exposure to the highest average daily traffic counts in the City. The City of Grand Rapids and MNDOT reconstructed the US Hwy 2 corridor in 2008, replacing utility and street infrastructure, and constructing streetscape amenities including: vintage street lighting, landscaping, pedestrian friendly countdown traffic signals, sidewalk furnishings, and brick intersection accents. The Hwy 2 streetscaping was a continuation of similar improvements that also included a pole mounted sidewalk acoustic system, along 1<sup>st</sup> Ave. NW and the Central School parking lot, in 1998.

Figure 4. 2009 MNDOT Traffic Count Map



C. **Zoning/Surrounding Uses** – The Central School site is located at the heart of the Central Business District (CBD) zoning district. The CBD correlates with the Downtown area and is intended to serve a regional clientele. Its permitted uses are highly diversified and intended to offer a full array of high value comparison goods and services, hotel, cultural, tourist and entertainment services; high density residential, finance, general office and public uses. Because the CBD is a very high intensity use zone and is fully developed, the City plays a role in the provision of parking; normal parking and yard requirements do not apply. The full text of the Grand Rapids Zoning Ordinance can be accessed on the web at <http://library.municode.com/index.aspx?clientId=13419> within Chapter 30, Article VI of the Municipal Code.

As Figure 2 illustrates, Central School is surrounded by a strong mix of retail, office, financial and public uses. Directly to the west, along 1<sup>st</sup> Ave. NW, are a number of well established retail businesses, including: Bender Shoe and Sport, Brier Clothing, Hopperton’s (gift and souvenir), Stoke’s Printing and Reed Drug, which is connected to the Central Square Mall. Also along 1<sup>st</sup> Ave. is the MacRostie Art Gallery, and Grand Rapids Loan.

D. **Community Events** – In its key location, the Central School and its grounds play a large role in hosting a variety of [community events](#). In addition, the very popular Grand Rapids Farmers Market takes place three times weekly during the summer months in a parking lot located across Hwy. 2, southwest of Central School.

- **Tall Timber Days** – On the first weekend of August, Grand Rapids hosts one of its biggest community events of the year. This celebration of Grand Rapids’ economic heritage features lumberjack competitions on the downtown streets surrounding Central School. An arts and craft fair on the Central School grounds showcases local and regional talent, while a footrace draws runners from all over northern Minnesota. Children’s street games, bingo tent, food booths and musical entertainment round out a great experience for tourists and residents of the



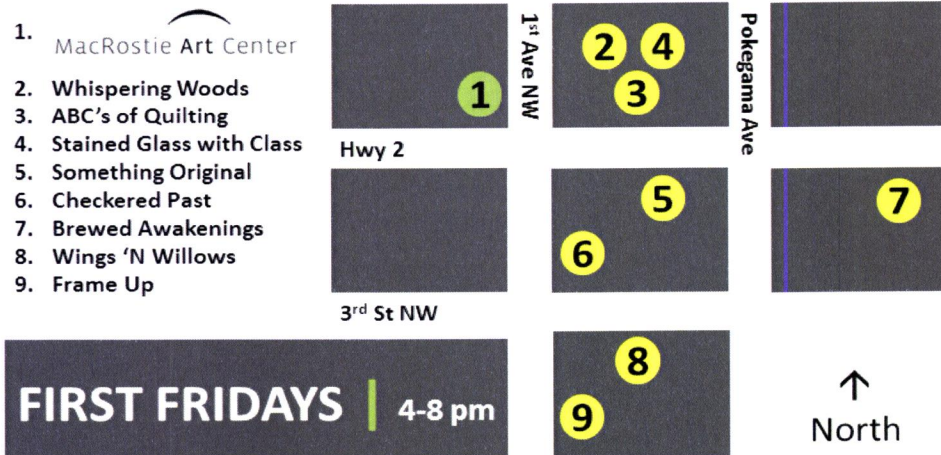
area. A parade culminates a weekend of fun on Sunday afternoon.

- [Krazy Dayz Sale](#) – Downtown merchants participate an annual sidewalk sale the third week of July.

- [Grand Rapids Farmer's Market](#) – The Farmers Market moved to their downtown location over five years ago. It is open on Monday, Wednesday and Saturday, May through October. The market is rapidly growing in popularity with approximately 2,000 visitors per day on Saturdays.



- [First Fridays](#) – Is a monthly celebration of arts and music in Downtown Grand Rapids, organized by [Grand Rapids Arts](#). On the first Friday of every month, in the evening between 4:00 and 8:00 pm, nine or more businesses will host an artist or musician and customers are encouraged to walk about to the other locations and enjoy the food and festivities.



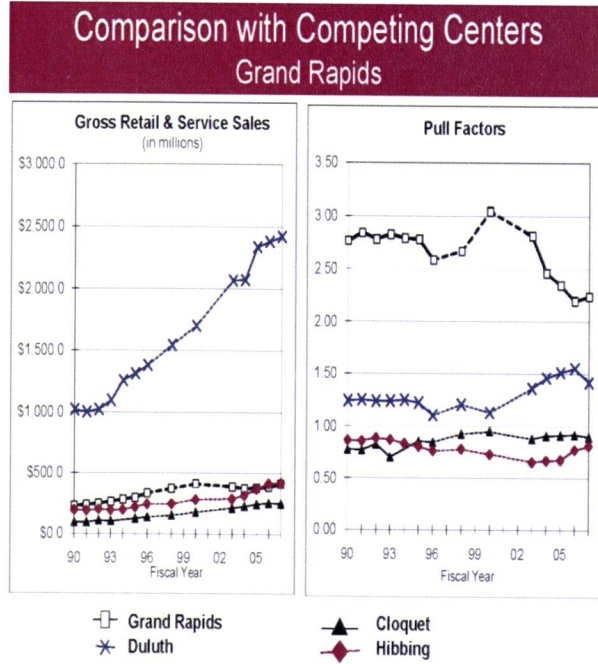
E. **Demographics** - The City of Grand Rapids has recorded a 40% growth in population between the 2000 and 2010 Census. The population increase in the City of Grand Rapids is largely, but not entirely, attributable to the City's annexation of a majority of Grand Rapids Township, which was phased in during the last decade. The completion of the annexation process in 2010 tripled the geographic area of the City, creating new opportunities for expansion, and increased population, from approximately 7,700 in 2000 to 10,869 in 2010. Nearby large job generating projects, such as the [Essar Steel Minnesota Plant](#) and [Magnetation](#), are expected to further contribute to population growth in Grand Rapids.

Grand Rapids, the Itasca County seat, is the regional center of government, industry, health care, cultural and recreational activity and shopping. The 2010 Census population of Itasca County was 45,058, an increase of 2.4% over 2000, one of a few Minnesota counties experiencing growth.

- [30 Mile Radius Demographic Statistics](#)

F. **Retail Trade** - Grand Rapids' blend of popular national retail chains and locally grown niche businesses make it a regional destination for shopping. According to the [2007 U of M Extension Grand Rapids Retail Trade Analysis](#), per capita gross retail sales in Grand Rapids equalled \$47,500. In 2008, general merchandise pull factors indicated a customer population of over 48,000.

- [40 Mile Radius Consumer Spending Report](#)

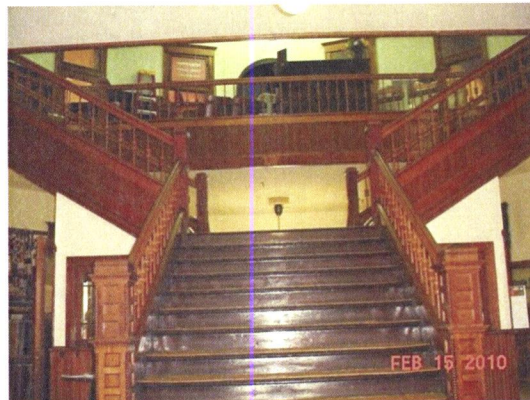


**V. BUILDING INFORMATION**

**A. Building Photos –**



Tenant Sign



Main Stairway



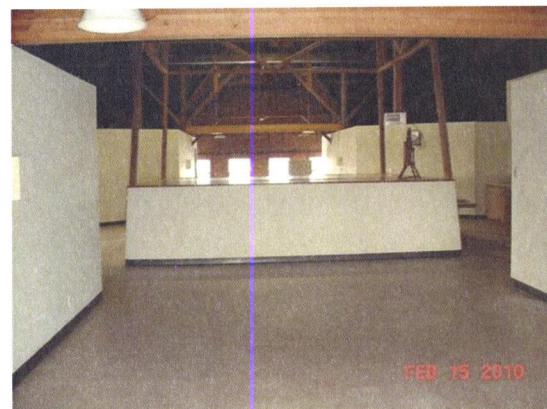
One of several entrances



Yellow brick road



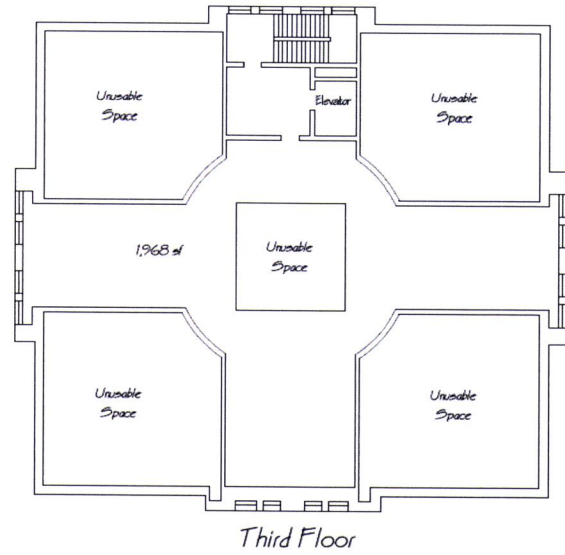
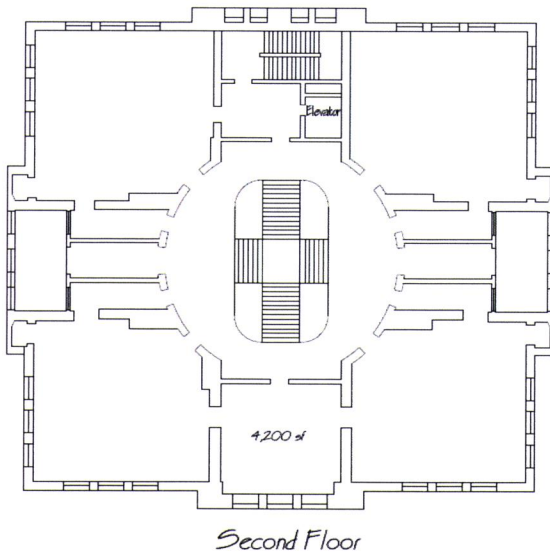
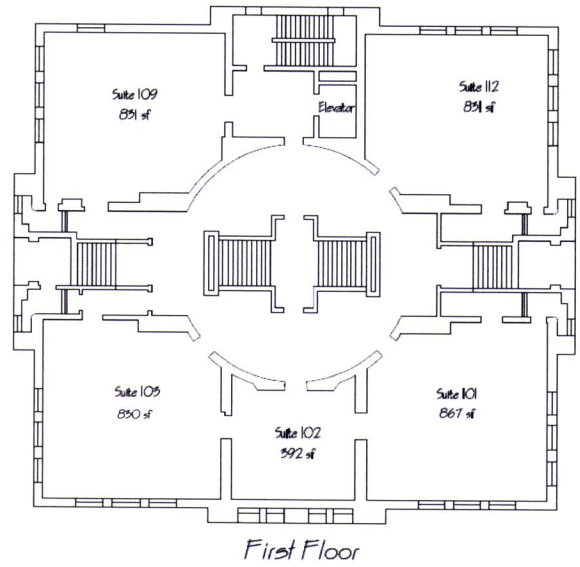
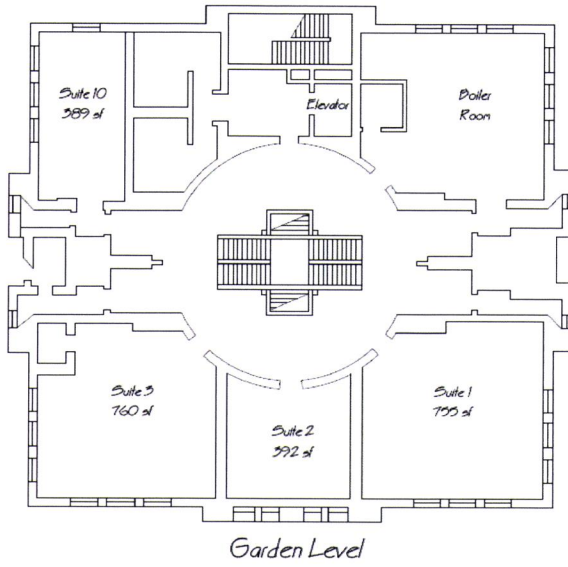
Suite 112



Third Floor



**B. Building Layout/Leasable Space –**



Current Occupancy

Level	Space	Leasable Sq. Ft.	Tenant/Status	Lease Expires	Comment
Garden	Suite 1	755	Vacant		
	Suite 2	392	MN Reading Corp.	12/2012	
	Suite 3	760	Baby Steps	12/2012	
	Suite 10	389	Vacant		
First Floor	Suite 101	867	Vacant		
	Suite 102	392	ABC's of Quilting	12/2012	
	Suite 103	830	ABC's of Quilting	12/2012	
	Suite 109	831	Old School Pastries	12/2014	2012 Rent Free – Contest Winner
	Suite 112	831	Whispering Woods	12/2012	
Second Floor		3,070	Itasca County Historical Society	12/2012	Will be relocating to another building by the end of 2012
		1,130	Vacant		
Third Floor		1,968	Vacant		Space cannot be occupied until a second egress is constructed.

**C. Current Leasing Structure** – As previously stated, Central School is owned by the City of Grand Rapids and managed by the Central School Commission, whose members are appointed by the City Council. Under this structure, Central School has been operated as a tenant “co-op”, with all tenants taking an active part in the care, programming, and marketing of the building.

2012 Lease Rates:

Garden Level:	\$11.92/sf
1 <sup>st</sup> Floor:	\$12.95/sf
2 <sup>nd</sup> Floor:	\$12.50/sf
3 <sup>rd</sup> Floor:	\$9.11/sf

Water, Sewer, Heating, and Cooling: Provided

Property Taxes: Paid by tenant

Telecommunications: Arranged and paid for by tenant (several options available on-site)



D. Central School Commission Operating Budget/Actual Five Year History –

**CITY OF GRAND RAPIDS  
CENTRAL SCHOOL COMMISSION  
ACTUAL 2007-2010 EXPENDITURES, 2011 BUDGET, PROPOSED 2012 BUDGET**

	2007	2008	2009	2010	2011	2012 BUDGET
<b>REVENUES:</b>						
Leases	\$ 113,727	\$ 118,784	\$ 113,418	\$ 88,179	\$ 82,363	\$ 96,045
Late Lease Payments	64	28	1,327	170	-	-
State of Minnesota-Grant	37,950	-	-	11,011	7,000	20,000
Blandin Foundation	37,950	4,781	7,269	-	-	-
Cookbook Sales	1,369	391	560	618	632	-
Miscellaneous	3,094	-	19,740	25	1,181	-
Interest from Investment	3,010	2,928	1,658	732	865	-
Interest - Capital Reserve	3,704	2,999	1,750	1,062	1,299	-
Interest - Blandin Grant	-	426	137	-	-	-
Operating Transfer -In	12,000	12,000	12,000	12,000	17,000	17,000
<b>TOTAL REVENUE:</b>	<b>212,868</b>	<b>142,337</b>	<b>157,857</b>	<b>113,797</b>	<b>110,340</b>	<b>133,045</b>
<b>EXPENDITURES:</b>						
Supplies & Materials:						
Maintenance Tools/supplies	3,533	3,352	4,370	3,491	3,056	3,600
Total Supplies & Materials:	3,533	3,352	4,370	3,491	3,056	3,600
Other Charges & Services:						
Professional Services	-	-	-	2,017	-	-
Accounting/Audit	1,600	1,696	1,696	1,686	1,686	1,700
Legal	325	618	1,528	293	1,129	700
Exterminator	122	306	1,151	369	316	500
Janitorial	9,952	10,623	9,678	10,549	11,366	11,000
Management Contract Service	7,200	7,200	7,200	7,200	5,550	5,400
Telephone	543	544	546	1,713	1,450	1,700
Postage/freight	144	166	275	186	256	225
Seminar/meetings	-	-	-	-	224	-
Fundraising Expenses	220	-	-	-	-	-
Promotions/Advertising/Publishing	1,682	4,072	3,409	2,404	4,041	3,000
General Insurance	16,991	17,156	15,034	14,128	12,361	16,500
Electricity	22,650	20,969	19,358	20,519	16,350	21,000
Garbage	2,839	3,005	3,096	3,400	3,694	3,200
Heat-natural gas	19,400	17,492	17,773	12,521	15,339	17,000
Maintenance contracts - elevator	2,340	2,468	2,369	2,028	2,142	2,600
Building maint/repairs	26,545	18,235	30,920	26,197	14,987	14,000
Fire Alarm & heating contracts	9,779	7,347	7,204	7,204	7,712	7,500
Gen Equip Maint/Repair	344	24	170	-	103	1,500
Miscellaneous	126	52	137	189	147	100
Building Maint/Cap Res	-	-	1,222	25,110	22,000	-
Dues/subscriptions	20	30	20	20	20	20
Total Other Charges & Services:	122,823	112,003	122,787	137,734	120,872	107,645
Capital Outlay:						
Bldg improvement	80,633	4,781	15,300	-	-	40,000
Bldg imprv-capital reserve	4,400	4,400	6,240	6,224	6,224	5,562
Total Capital Outlay:	85,033	9,181	21,540	6,224	6,224	45,562
<b>TOTAL EXPENDITURES:</b>	<b>211,390</b>	<b>124,536</b>	<b>148,697</b>	<b>147,449</b>	<b>130,152</b>	<b>156,807</b>
<b>Excess Revenue &gt; Expenditures</b>	<b>1,478</b>	<b>17,801</b>	<b>9,160</b>	<b>(33,651)</b>	<b>(19,812)</b>	<b>(23,762)</b>

6/12/2012

E. **Historical Status** - The Central School was placed on the National Register of Historic Places in August 1977. Redevelopment of the building and the development of housing on the Housing Parcel must comply with federal, state and local historical preservation regulations in order to preserve its status on the Register. The National Park Service, which placed the building on the National Register of Historic Places, and the Minnesota State Historic Preservation Office have design standards and specifications that must be adhered to in order to receive federal tax credits for renovation, pursuant to historic review procedures of Section 106 of the National Historic Preservation Act.

F. **Asbestos and Hazardous Materials:** A search of records revealed that the specifications for the 1984 renovation project directed the identification and removal of asbestos containing materials. No other documentation is currently available.

## VI. POTENTIAL FUNDING SOURCES

A. **Local Funding Sources** - The City of Grand Rapids will consider using its resources to provide incentives for qualified activities in the adaptive re-use of Central School. Incentives such as tax abatement, facade improvement loans, and tax increment financing may be used in Minnesota to facilitate preservation projects.

### Economic Development Tax Abatement

A political subdivision may “abate” or “exclude” all or a portion of its property tax on one or more parcels of real or personal property, including machinery, for economic development purposes. Abatements and exclusions are defined by a specific time period and dollar value being abated or excluded. Abatements can be, but are not limited to: (1) an exclusion of a certain portion of property taxes; (2) a rebate of property taxes to the property owner; (3) a reallocation of taxes to pay bondholders; (4) a reallocation of taxes to pay for public infrastructure costs; OR (5) a deferment of property taxes.

### Tax Increment Financing (TIF) Districts

Tax increment financing (TIF) uses the increased property tax that a new development creates to finance the initial cost of development. It is used to bridge the gap to help a development occur and to finance public infrastructure. Two types of TIF districts exist: (1) Redevelopment; and, (2) Renewal and Renovation. Each type of TIF District has to meet a different standard regarding the buildings within the proposed district that would be classified as “structurally substandard,” or, “blighted.” Renewal and Renovation TIF Districts have a 15-year duration limit, rather than the 25-year limit for Redevelopment districts.

B. **State Funding Sources** – The City of Grand Rapids will support and assist in the application for program funding administered by various the State of Minnesota, such as:

### DEED Redevelopment Grant Program

The Redevelopment Grant Program helps communities with the costs of redeveloping blighted industrial, residential, or commercial sites and putting land back into productive use. Grants pay up to half of redevelopment costs for a qualifying site. Grants can pay for land acquisition, demolition, infrastructure improvements, soil stabilization when infill is required, ponding or other environmental infrastructure and adaptive reuse of buildings, including remedial activities at sites where a subsequent redevelopment will occur.

### Small Cities Development Grant Program

This Dept. of Employment and Economic Development grant program assists smaller cities (fewer than 50,000 residents) and counties (fewer than 200,000 residents) in Minnesota with funding for housing, infrastructure and commercial rehabilitation projects that benefit people of low and moderate incomes. Grants can be used for housing, public facilities, and comprehensive projects. Small Cities Development Grants are awarded on a competitive basis dependent on available State



funding.

#### [Minnesota Historic Structure Rehabilitation State Tax Credit / Grant Program](#)

The Minnesota Historic Structure Rehabilitation Tax Credit offers a 20% state tax credit for qualified historic rehabilitations, and parallels the existing federal rehabilitation tax credit. It also offers project investors the option of a grant in lieu of a credit, whichever option best suits a developer's tax situation, in order to maximize the efficiency of the public dollars assisting the project. Only income-producing properties are eligible for this incentive. This tax credit/ grant program is funded by the State of Minnesota; funds are awarded to eligible applicants who meet the program requirements and receive the approval of the Minnesota SHPO and National Park Service.

#### [Minnesota Legacy Amendment Arts and Cultural Heritage Fund Grants](#)

When Minnesota voters passed the [Clean Water, Land and Legacy Amendment](#), the state legislature created the Arts and Cultural Heritage Fund, a portion of which was appropriated to the Minnesota Historical Society for history-related projects around the state. One of those new initiatives is the Statewide Historical and Cultural Grants program. Grants are available for historic preservation projects in the following categories: evaluation; heritage tourism and public education; historic properties; National Register nominations; preservation planning; and survey and inventory. This grant program is funded by the State of Minnesota; grants are awarded on a competitive basis dependent on available State funding.

#### [Minnesota State Capital Projects Grants-in-Aid Program](#)

This program supports historic preservation projects of a capital nature. The primary recipients of state capital project grants are public entities as defined in state law, including county and local jurisdictions. Nonprofit organizations whose primary purpose is historical preservation and/or interpretation, and which have entered into a qualifying lease or management agreement with an eligible public entity sponsor, are also eligible to apply. Grant funds awarded must be matched on at least a 1-to-1 basis. This grant program is funded by the State of Minnesota; grants are awarded on a competitive basis dependent on available State funding.

C. **Federal Funding Sources** – The City of Grand Rapids will support and assist in the application for program funding, loans and loan guarantees, tax credits, etc. administered by the federal government. Examples of some of those programs include:

#### [Community Development Block Grants—Non-Entitlement Communities](#)

*Federal Agency:* Department of Housing and Urban Development

*Recipients:* States (with pass through to non-entitlement local communities)

CDBG funding for non-entitlement communities (those under a certain population threshold) is granted to the States to administer. Among the projects eligible for funding are: acquisition of property; construction or reconstruction of streets, water and sewer facilities, neighborhood centers, recreation facilities, and other public works; rehabilitation of public and private buildings; planning activities; assistance to nonprofit entities for community development activities; and assistance to private, for-profit entities to carry out economic development activities.





### Section 108 Loan Guarantee Program

*Federal Agency:* Department of Housing and Urban Development

*Recipients:* Local governments

Section 108, the loan guarantee provision of the CDBG program, allows communities to transform a small portion of their CDBG funds into federally guaranteed loans. This provides a source of financing for activities such as: property acquisition; rehabilitation of publicly owned property; housing rehabilitation; economic development activities; and acquisition, construction, reconstruction, or installation of public facilities.

### Public Works and Economic Development Initiative

*Federal Agency:* Economic Development Administration

*Recipients:* States; local governments; Indian tribes; institutions of higher learning

Grants from this program help communities to revitalize, expand, and upgrade their physical infrastructure to attract new industry, encourage business expansion, diversify local economies, and support the generation or retention of jobs and investments. Rehabilitation of historic buildings is an eligible activity.

## **Commercial Resources**

### Small Business Programs

*Federal Agency:* Small Business Administration

*Recipients:* Small businesses

U.S. Small Business Administration loans can be used for modernizing, renovating, or converting existing small business facilities.

### Business and Industry Guaranteed Loan Program

*Federal Agency:* Rural Business-Cooperative Service

*Recipients:* Indian tribes; local governments; businesses; nonprofit organizations; individuals

These guaranteed loans may be used for a variety of capital costs, including purchasing, modernizing, and developing facilities.

## **Rural Resources**

### Rural Housing and Economic Development (RHED) Grants

*Federal Agency:* Department of Housing and Urban Development

*Recipients:* Local rural non-profits; community development corporations; State housing finance agencies; State community and/or economic development agencies; and Indian tribes.

RHED grants support innovative housing and economic development activities in rural areas. Among the activities eligible for funding are: preparation of plans and architectural drawings; acquisition of land and buildings; provision of infrastructure; purchase of materials; construction; application of innovative construction methods; provision of financial assistance to homeowners, businesses, and



developers; and the establishment of revolving loan funds.

#### [Community Facilities Loans and Grants](#)

*Federal Agency:* Rural Housing Service

*Recipients:* Local governments; Indian tribes; nonprofit organizations

These grant and loan funds may be used to assist in the development of essential community facilities in rural areas, including improvement and enlargement of existing facilities for health care, public safety, and community and public services.

#### [Intermediary Relending Program](#)

*Federal Agency:* Rural Business-Cooperative Service

*Recipients:* Private non-profit corporations; public agencies; Indian tribes; cooperatives

Under this program, loans are made to intermediaries, which, in turn, re-lend the funds to private or public organizations or individuals. Projects receiving funds must involve community development or business development in rural areas.

### **Housing Resources**

#### [HOME Investment Partnerships Program](#)

*Federal Agency:* Department of Housing and Urban Development

*Recipients:* States; territories; local governments

The HOME Program provides grants to fund a wide range of activities aimed at expanding the supply of affordable housing for low and very low-income families. Rehabilitation of affordable housing and site acquisition and improvements are eligible activities.

#### [Public Housing Capital Fund Program](#)

*Federal Agency:* Department of Housing and Urban Development

*Recipients:* Public Housing Agencies

Grants from this program can be used to rehabilitate public housing (including historic public housing) and address deferred maintenance needs.

#### [Mortgage Insurance for Rehabilitation Projects](#)

*Federal Agency:* Department of Housing and Urban Development

*Recipients:* Individuals and developers, as appropriate

The Department of Housing and Urban Development offers mortgage insurance not only for the purchase of homes, but also for their rehabilitation. Mortgage insurance programs for rehabilitation loans include:

- [Rehabilitation Mortgage Insurance \(Section 203\(k\)\)](#)
- [Mortgage Insurance for Construction or Substantial Rehabilitation of Condominium Projects](#)



(Section 234(d))

- [Property Improvement Loan Insurance \(Title I\)](#)
- [Mortgage Insurance for Cooperative Housing \(Section 213\)](#)
- [Mortgage Insurance for Rental Housing for Urban Renewal and Concentrated Development Areas \(Section 220\)](#)
- [Mortgage Insurance for Rental and Cooperative Housing \(Sections 221\(d\)\(3\) and 221\(d\)\(4\)\)](#)
- [Mortgage Insurance for Single Room Occupancy Projects \(Sections 221\(d\)\(3\) and 221\(d\)\(4\)\)](#)
- [Mortgage Insurance for Rental Housing for the Elderly \(Section 231\)](#)
- [Mortgage Insurance for Supplemental Loans for Multifamily Projects \(Section 241\(a\)\)](#)

Rural Rental Housing Loans

*Federal Agency:* Rural Housing Service

*Recipients:* Individuals; trusts, associations, partnerships, and limited partnerships; State or local public agencies; consumer cooperatives; and profit or nonprofit corporations.

Loans may be used to substantially rehabilitate rental or cooperative housing for low income rural residents.

**Tax Incentives**

Federal Historic Rehabilitation Tax Credit—20%

*Federal Agency:* National Park Service, administered by the Minnesota State Historic Preservation Office (SHPO)

*Recipients:* Owners of commercial, industrial, agricultural, or rental residential properties

The Federal Government offers a variety of tax credits that assist preservation projects, notably a credit that is available only for rehabilitation of income-producing historic properties. Under this historic preservation tax credit, property owners who rehabilitate historic buildings for commercial, industrial, agricultural, or rental residential purposes can receive a tax credit equal to 20 percent of the rehabilitation costs. The National Park Service must certify that the rehabilitation work meets the Secretary of the Interior's Standards for Rehabilitation.

Other Federal tax credits can also be used in preservation projects and can be combined with the historic preservation tax credit.

Contact: Linda Pate, Preservation Specialist, Minnesota SHPO, [linda.pate@mnhs.org](mailto:linda.pate@mnhs.org)



### Federal New Markets Tax Credit

*Federal Agency:* U.S. Department of the Treasury

*Recipients:* Community Development Entities (CDE) that pass through to developers

This credit is targeted at drawing investment to businesses and commercial projects in distressed urban, rural, and suburban communities. Taxpayers can receive a credit against Federal income taxes by making qualified equity investments in designated Community Development Entities (CDEs). All qualified investment is used by the CDE to invest in low-income communities. New Markets Tax Credits are allocated to a CDE, which then acts as a pass through for funds.

### Tax Deductions for Preservation Easements

*Federal Agency:* Internal Revenue Service

*Recipients:* Property owners

Donation of a historic preservation easement on National Register of Historic Places listed property generally qualifies as a charitable contribution for Federal tax purposes, and thus would result in income tax deductions. This provision of Federal tax law thus provides a cash incentive to owners of historic properties to protect them through donations of easements. The Preservation Alliance of Minnesota, a 501(c)(3), nonprofit organization, is a preservation easement holding entity.

Contact: Erin Hanafin Berg,, Field Representative Preservation Alliance of Minnesota, (651) 293-9047 x4, [ehberg@mnpreservation.org](mailto:ehberg@mnpreservation.org)

### Disabled Access Tax Credit

*Federal Agency:* Internal Revenue Service

*Recipients:* Small businesses

The Internal Revenue Service offers tax credit up to 50 percent on expenses incurred by providing access to persons with disabilities.

## **Nonprofit Funding Sources**

### National Trust for Historic Preservation Grant Funds

The National Trust Preservation Funds provide two types of assistance to nonprofit organizations and public agencies: 1) matching grants from \$500 to \$5,000 for preservation planning and educational efforts, and 2) intervention funds for preservation emergencies. Matching grant funds may be used to obtain professional expertise in areas such as architecture, archeology, engineering, preservation planning, land-use planning, fund raising, organizational development and law as well as to provide preservation education activities to educate the public.

*The Johanna Favrot Fund for Historic Preservation* - provides nonprofit organizations and public



agencies grants for projects that contribute to the preservation or the recapture of an authentic sense of place.

*The Cynthia Woods Mitchell Fund for Historic Interiors* - provides nonprofit organizations and public agencies grants to assist in the preservation, restoration, and interpretation of historic interiors.

*The Peter H. Brink Leadership Fund* - helps build the capacity of existing preservation organizations and encourage collaboration among these organizations. Funds are available to develop peer-to-peer and direct organizational development and learning opportunities.

*The Hart Family Fund for Small Towns* - provides grants for communities with a population under 5,000.

[The National Trust Loan Funds \(NTLF\)](#) consists of two preservation revolving funds: the Inner-City Ventures Fund (ICVF) and the National Preservation Loan Fund (NPLF). The ICVF provides financial assistance to organizations that serve low and moderate income households or provide economic benefit in low and moderate income communities. The NPLF provides funding for a variety of preservation projects, such as establishing or expanding local and statewide preservation revolving funds, acquiring or rehabilitating historic buildings, sites, structures and districts, and preserving National Historic Landmarks.

The [National Trust Community Investment Corporation \(NTCIC\)](#), the National Trust's for-profit subsidiary, offers several vehicles for historic real estate equity investment:

- [The National Trust Community Investment Funds](#)
- [The National Trust Small Deal Fund](#)
- [The Historic Theatre Financing Fund](#)
- [New Markets Tax Credit Initiative](#)

## **VII. MINNESOTA GOVERNMENT DATA PRACTICES ACT**

A proposal is subject to the Minnesota Government Data Practices Act, Minnesota Statutes Ch. 13 (the "Act"). Generally, a response to an RFP is classified as "business data" pursuant to Section 13.591 of the Act. If proposers are being asked to provide financial statements as part of the RFP response and/or review, proposers may submit such financial statements confidentially under separate cover pursuant to the Act.

## **VIII. PROPOSAL SUBMISSION**

Proposers must submit copies of their proposals as follows:

- One unbound copy
- Five bound copies



- One electronic version in Microsoft compatible or PDF format on CD, including Excel files for project financial information as described above. Proposals must be on standard 8 ½” by 11” paper. Foldouts containing charts, spreadsheets, drawings, and oversized exhibits are permissible as long as they are packaged with the proposal. Proposals and supporting documentation must be submitted in a package labeled

“**Central School Adaptive Re-Use Proposal**” and sent to:

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

Faxed proposals will not be accepted. Proposers may choose to provide additional copies if and when invited to do so for presentation purposes. Submissions will not be returned.

Proposals shall be delivered to the City on or before **4:00 P.M., Monday, December 10, 2012**. Proposals received after the deadline will not be accepted. It is neither the City’s responsibility nor practice to acknowledge receipt of any proposal. It is the proposer’s responsibility to assure that a proposal is received in a timely manner.

## **IX. PROPOSAL CONTENTS**

Proposals must include the following information to be deemed complete and responsive and must be in the following order and with corresponding section numbering on tab dividers. The information being requested through this RFP is necessary for the City to adequately evaluate your proposal. Failure to supply the requested information may result in rejection of your proposal. Select items below must be presented in special format as noted. The City is not responsible for the costs incurred by proposers or their subcontractors in connection with this RFP process, including, but not limited to costs associated with preparing a proposal or associated with participating in any presentations or negotiations related to this RFP.

Proposals deemed incomplete and/or non-responsive will not be considered.

A. **Cover Page** - that includes:

1. Respondent’s name and mailing address
2. Respondent’s current legal status: corporation, partnership, etc.
3. Federal tax ID number or Social Security number
4. State ID number
5. Contact person’s name, title, phone number, and e-mail address



6. Signature of authorized corporate officer for each entity proposing as a partnership or team

**B. Project Narrative** - that includes, but is not limited to, the following information:

1. Description of the proposed development (e.g., square footage of specific components, nature of improvements, parking needs, anticipated materials and design style, circulation patterns, loading/service provisions, Office Building rehabilitation plan) to be built developed on the site. For the proposed retail/commercial component of the development, information should be included about the anticipated type of tenants expected, and rents.
2. Project schedule. (If the redevelopment is proposed to be phased, the narrative should clearly define the components and timing of each phase and indicate the nature of the conditions upon which construction of subsequent phases would be based).
3. Plan for transportation access, including parking needs.
4. "Green" building features, techniques, and/or certifications.
5. Exhibits of preliminary schematics, plans, and/or elevations.

**C. Description of Entities Involved** – A description of the entities in the development team that includes:

1. List of development team members, including developer, architect, property manager, tenants, professional consultants, and any other team members)
2. Summary of the development team's track record, including, but not limited to:
  - i. Experience working together and in developing projects of similar type or scale.
  - ii. Information on the location of past projects, their type, their development costs, their development funding sources, their current status, and any continued financial or operating interest in them.
  - iii. Previous relevant development experience working with public entities, including reference contact information.
  - iv. The City may ask for supporting documentation substantiating claims of previous experience.
3. Summarize any lawsuits to which the members of the development team or any principals of the development team have been a party.
4. Identify the principal person who will speak for the development team and any other key participants who will be involved in negotiating the project terms.
5. Specify whether the development team is or intends to form a corporation, a limited liability company, a general or limited partnership, a joint venture or other type of business entity to carry



out the proposed development.

6. The developer must also provide two years of audited financial statements under separate cover.

7. Please note that design consultants on the team must be licensed in the State of Minnesota

**D. Development Budget** - showing the detailed sources and uses of funds for the project. For uses of funds, itemize the estimated costs of the project including site acquisition, hard and soft construction costs, any tenant improvements, and any other project costs. For sources of funds, indicate the type of financing planned – e.g. debt, equity, other – and describe the status of securing those funds. If debt financing is proposed, include a letter of interest, if possible, from a lender to provide financing.

Clearly indicate any public financial assistance such as loans or grants to be requested, particularly any from the City, and any City sponsorship of or participation in funding requests to other funding agents. Please provide one electronic and editable copy of the development budget including all underlying assumptions and formulas in Excel format.

**E. Operating Pro forma** - If rental housing units or commercial uses are included in the development proposal, respondents must provide an operating pro forma of at least 10 years for the building operation, including the assumptions underlying the income and expense projections, for each component. The pro forma should break out line items for all revenue streams and expense categories and should also clearly indicate assumptions, if applicable, for rental rates, vacancy rates, operating expenses, growth rates, taxes, debt service, and capital reserves. Detailed pro formas in a format acceptable to the City will be required during the negotiation of a redevelopment agreement. Please provide one electronic and editable copy of the pro forma including all underlying assumptions and formulas in Excel format

**F. Description of Public Benefits** that will result from the development, e.g. the creation or retention of jobs (including the estimated number, type and wage levels), the creation of housing, tax base enhancement, the provision of retail goods and services, and/or activities that generate visitors to the area or benefit the community.

**G. Redevelopment Timeframe** - The schedule should include the time needed to finalize financing, complete design, secure approvals and permits, prepare the site, start & complete construction, and start and complete occupancy and/or lease-up.

Identify any conditions that must be met before the proposal can become a reality.

**H. Other Information** - that would help City staff understand/evaluate the concept. The contents of the proposal and any clarification to the contents submitted by the successful proposer may become part of the contractual obligation and be incorporated by reference into contract(s) between the selected developer and the City.





## **X. EVALUATION CRITERIA**

**A. Criteria** - In reviewing potential development proposals, the following criteria are among those that will be considered:

1. The experience and the financial and organizational capacity of the developer in successfully planning and completing development projects of similar historic preservation type and scale, on time and within budget.
2. The extent to which the proposed development is in compliance with the development objectives stated within this document, and other relevant planning documents for the area.
3. Market and financial feasibility of the project and the ability to secure necessary public and private financing.
4. Project readiness and feasibility of proposed project schedule.
5. The public benefits that would be provided by the project, including the proposed lease terms and estimated increase in tax base.
6. Overall quality of the submission and adherence to the proposal content requirements.
7. Review of related previous experience.
8. The extent to which the historic nature and value of the Central School would be preserved and enhanced by redevelopment plans.
9. Degree of “green” building techniques and features and energy efficient construction incorporated.

The City may, in its sole discretion, expand or reduce the criteria upon which it bases its final decisions regarding selection of the development team or developer for this site.

### **B. Review/Selection Process**

An evaluation/review committee composed primarily of City staff, Central School Commission representatives and Grand Rapids EDA representatives will review proposals received by the RFP due date. Some or all of the proposers may be requested to present their proposals to the review committee and/or the Grand Rapids City Council. City staff expects this review process to occur in the weeks following the deadline. The review committee will then make a recommendation as to which developer(s) best meets the evaluation criteria. This recommendation will be considered by the Central School Commission and then forwarded to the City Council for action. The goal is to have a recommendation before the City Council on or before March 12, 2013.

If the City Council selects a development proposal or proposals that do not entail any additional public assistance, staff will proceed to negotiate with the selected developer or developers the terms of the proposed lease. If a selected proposal requests additional public assistance, staff will determine what



types of further analysis, underwriting and/or other processes are required. Unless further analysis indicates that a selected proposal is infeasible, staff will negotiate the terms of the proposed transaction during this period.

Once redevelopment contract terms have been negotiated and any further analysis completed, staff will return to the City Council for consideration of approval of the lease and related terms.

The City reserves the right to reject any or all proposals or parts of proposals, to negotiate modifications of proposals submitted, and to negotiate specific work elements with a proposer into a project of lesser or greater magnitude than described in this RFP or the proposer's reply.

## **XI. RFP INQUIRIES**

**Two site visits** will be available to interested parties to learn more about the Central School. These visits will be held on **Thursday, September 20, 2012, at 1:00 P.M.**, and on **Thursday, October 18, 2012, at 1:00 P.M.** If you are interested in these site visits, please call the City Community Development Department Office at 218.326.7601 a week prior to indicate your intent to attend. Participants will assemble in front of the east entrance to Central School at these times. If individual access is desired for a more specific or detailed assessment, those visits will be arranged on an individual, as requested, basis.

Prospective proposers may only direct questions in writing to the Community Development Director (Contact Person). Responses will be issued in writing and will be provided to all prospective proposers. The Contact Person is the only individual who can be contacted about the RFP before the proposal deadline. The Contact Person cannot vary the terms of the RFP. The contact person is:

Rob Mattei, Community Development Director  
City of Grand Rapids  
420 N. Pokegama Ave.  
Grand Rapids, MN 55744  
Email: [rmattei@ci.grand-rapids.mn.us](mailto:rmattei@ci.grand-rapids.mn.us)  
Fax: (218) 326-7620

Questions and responses will be posted via email during the RFP period.

## **XII. GENERAL REQUIREMENTS**

The selected developer or developers will be required to enter into contracts with the City and comply with any applicable City requirements. These requirements vary depending upon the type of development and the source and amount of public assistance, if any, and may include, without limitation, the payment of prevailing wages for construction, competitive bidding, the Business Subsidy Act and compliance and reporting requirements for various state and federal programs, if applicable.



### XIII. RFP & DEVELOPMENT TIMETABLE

This is the timetable that the City will be following for the RFP process, review of proposals, developer selection, and the start of development. However, this timetable is subject to change. The timing of some of the target dates subsequent to the submission of proposals may vary, depending upon the complexity of development proposals and financing plans and other factors.

<b>Anticipated Timetable</b>	
Release of RFP (90-day response period)	Monday, Sept. 10, 2012
First Site Visit	Thursday, Sept. 20, 2012
Second Site Visit	Thursday, Oct. 18, 2012
Deadline for final questions on the RFP	Monday, November 12, 2012
<b>Submission deadline for proposals</b>	Monday, December 10, 2012
City review and evaluation of proposals	January & February
Action by City Council on Developer Selection & Redevelopment Contract Terms	March 12, 2013
Negotiation and execution of contract(s), lease, agreements	April 9, 2013





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

# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0570      **Version:** 1      **Name:** Request by the Police Department to apply for a 2012 Enbridge Safe Community Grant.  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/4/2012      **In control:** Police  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Request by the Police Department to apply for a 2012 Enbridge Safe Community Grant.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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*Title*

Request by the Police Department to apply for a 2012 Enbridge Safe Community Grant.

*Body*

**Background Information:**

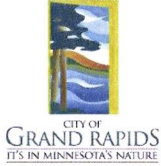
The Police Department is requesting Council authorization to apply for an Enbridge Safe Community grant. This grant is intended to help organizations improve their on-scene responding capabilities for first responder groups that might respond to an Enbridge incident.

If awarded, the police department would use the Enbridge funding to purchase in-car card swipes and printers. The use of this equipment would increase the officers' ability to quickly identify individuals and print critical information for dissemination.

Safe Community grants are typically \$500-750, based on need. Under special circumstances, grants can be increased to \$1,000-1,500. Organizations are eligible to receive one grant per calendar year.

**Requested City Council Action**

Consider a request by the Police Department to apply for a Enbridge Safe Community Grant.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0572      **Version:** 1      **Name:**  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/4/2012      **In control:** Community Development  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider adopting a resolution accepting a grant from IRRRB for site development costs associated with the DC Manufacturing project and transferring the grant proceeds to GREDA for contracting and project administration, and further to authorize the Mayor and City Administrator's execution of the grant agreement.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Resolution accepting IRRRB Grant 9-10-12.pdf](#)  
[IRRRB Grant Agreement - DC Manufacturing.pdf](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Consider adopting a resolution accepting a grant from IRRRB for site development costs associated with the DC Manufacturing project and transferring the grant proceeds to GREDA for contracting and project administration, and further to authorize the Mayor and City Administrator's execution of the grant agreement.

### *Body*

#### **Background Information:**

On August 9<sup>th</sup>, the Iron Range Resources and Rehabilitation Board approved a grant request made by the City. The full grant request of \$150,000 was approved by IRRRB for costs associated with the site development of the DC Manufacturing project, the total cost of which is estimated to be \$270,000. In accordance with the Purchase and Development Contract, by and between the City, GREDA, Itasca County and Cutsforth Holdings LLC, all site development costs not covered by the IRRRB grant are the responsibility of the developer (Cutsforth).

The attached resolution authorizes the transfer of grant proceeds to GREDA for their expenses associated with the design and construction of site improvements covered under the grant.

#### **Requested City Council Action**

Consider adopting a resolution accepting a grant from IRRRB for site development costs associated with the DC Manufacturing project and transferring the grant proceeds to GREDA for contracting and project administration, and further to authorize the Mayor and City Administrator's execution of the grant agreement.

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

RESOLUTION NO. 12-

A RESOLUTION ACCEPTING A \$150,000 GRANT FROM THE IRON RANGE RESOURCES AND REHABILITATION BOARD FOR SITE IMPROVMENTS ASSOCIATED WITH THE DC MANUFACTURING PROJECT AND TRANSFERRING THE FUNDS TO THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY FOR ADMINISTRATION AND DISTRIBUTION

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, the City Council of the City of Grand Rapids, Itasca County, Minnesota, accepts the listed donation and terms of the donor as follows:

- Accept a \$150,000 grant from the Iron Range Resources and Rehabilitation Board for site improvements associated with the DC Manufacturing Project, and
- Transfer the funds to the Grand Rapids Economic Development Authority for administration and distribution of funds

Adopted this 10th day of September, 2012

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Dale C. Adams, Mayor

Attest:

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Kimberly Johnson-Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.

Approved: (Initials)

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**STATE OF MINNESOTA  
GRANT AGREEMENT**

<b>PO ID</b> 3000001355	<b>PO Date</b> 8-20-12	<b>Approval Date</b>	<b>Fiscal Year</b> 2013	<b>Grant Award</b> \$150,000.00
<b>Vendor ID</b> 0000195352	<b>Fund</b> 2370	<b>Fin Dept ID</b> B4335340	<b>Approp ID</b> B43TCPJ	<b>Account</b> 441352

**THIS GRANT**, which shall be interpreted pursuant to the laws of the State of Minnesota between the State of Minnesota, acting through its Office of the Commissioner of Iron Range Resources and Rehabilitation Board (hereinafter STATE) and City of Grand Rapids, Attn: Rob Mattei, 420 N. Pokegama Avenue, Grand Rapids, MN 55744 (hereinafter GRANTEE), witnesseth that:

WHEREAS, the STATE, pursuant to Minnesota Statutes 298, Section(s) 223 is empowered to fund local economic development projects including the construction of water and sewer systems, and other public works located within the Taconite Assistance Area defined in M.S. 273.1341.

AND WHEREAS, the Iron Range Resources and Rehabilitation Board (IRRRB)\Commissioner has determined that the completion of this project will support those purposes.

AND WHEREAS GRANTEE represents that it is duly qualified and willing to perform the services set forth herein,

NOW, THEREFORE, it is agreed:

**I. GRANTEE'S DUTIES** (Attach additional page if necessary). GRANTEE, who is not a state employee, shall:

Use the Office of the Commissioner of the Iron Range Resources and Rehabilitation Board monies provided for water, sewer, roads, and site work for DC Manufacturing expansion.

Expenses eligible for reimbursement under the terms of this Agreement will be those incurred since Iron Range Resources Board approval on August 9, 2012, for water, sewer, sanitary sewer, roads, site work and other costs associated with the completion of the project.

IRRRB monies will not be released until the agency has received a copy of the development agreement and commitment for the matching funds.

Prevailing wages must be paid on the project according to the attached IRRR Board resolution No. 96-005. This language should be included in the development agreement and bid spec documents.

The applicant will submit a final report to the IRRRB and a site visit may be conducted upon completion of the project.

Architectural and engineering fees in excess of 10% of the total project costs are ineligible for reimbursement.

NOTE: Grantee agrees to perform the above duties in accordance with the plans and specifications in grantee's application which is incorporated into this Agreement and kept on file in the Office of the Commissioner of Iron Range Resources and Rehabilitation Board, and in accordance with the policies as stated in the Grant application manual.

**II. CONSIDERATION AND TERMS OF PAYMENT**

A. Consideration for all services performed and goods or materials supplied by GRANTEE pursuant to this grant shall be paid by the STATE as follows:

1. Compensation shall be consistent with the N/A Budget, which is incorporated into and made a part of this Agreement, and attached hereto as Exhibit N/A.
2. The total obligation of the STATE for all compensation and reimbursements to GRANTEE shall not exceed One Hundred Fifty Thousand dollars (\$150,000.00).

B. Terms of Payment

1. Reimbursement shall be one initial cash advance of N/A.
2. Payments shall be made by the STATE promptly after GRANTEE'S presentation of invoices for services performed and acceptance of such services by the STATE'S authorized agent pursuant to Clause VI. Invoices shall be submitted in a form prescribed by the STATE and according to the following schedule: reimbursement upon submission of invoices upon completion of stages of work on the project and/or completion of the entire project done in accordance with this Agreement.

- III. **CONDITIONS OF PAYMENT.** All services provided by GRANTEE pursuant to this grant shall be performed to the satisfaction of the STATE, as determined in the sole discretion of its authorized agent, and in accord with all applicable federal, state and local laws, ordinances, Board resolutions, rules and regulations. GRANTEE shall not receive payment for work found by the STATE to be unsatisfactory or performed in violation of federal, state or local law, ordinance rule or regulation.
- IV. **TERM OF GRANT.** This grant shall be effective upon execution by required parties or upon such date as it is executed as to encumbrance by the IRRRB Fiscal Agent, whichever occurs later, and shall remain in effect until December 31, 2013, or until all obligations set forth in this Agreement have been satisfactorily fulfilled, whichever occurs first.
- V. **CANCELLATION.** This Agreement may be canceled by the STATE or GRANTEE if the project is not undertaken or carried out as proposed by Grantee in its application, upon thirty (30) days written notice to the other party. In the event of such a cancellation, GRANTEE shall be entitled to payment, determined on a pro rata basis, for work or services satisfactorily performed, and, GRANTEE shall return to the STATE any unexpended, unobligated funds which were advanced to the GRANTEE by the STATE for the purposes of this Agreement.
- VI. **STATE'S AUTHORIZED AGENT.** The STATE'S authorized agent for the purposes of administration of this grant is the Commissioner or the Deputy Commissioner of the State Agency or Department who shall have final authority for acceptance of GRANTEE'S services.
- VII. **ASSIGNMENT.** GRANTEE shall neither assign nor transfer any rights or obligations under this grant without the prior written consent of the STATE.
- VIII. **AMENDMENTS.** Any amendments to this grant shall be in writing.
- IX. **LIABILITY.** GRANTEE agrees to indemnify and save and hold the STATE, its agents and employees harmless from any and all claims or causes of action arising from the performance of this grant by GRANTEE or GRANTEE'S agents or employees. This clause shall not be construed to bar any legal remedies GRANTEE may have for the STATE'S failure to fulfill its obligations pursuant to this grant.
- X. **STATE AUDITS.** The books, records, documents, and accounting procedures, and practices of the GRANTEE relevant to this grant shall be subject to examination by the STATE and the legislative auditor. Records shall be maintained by the GRANTEE for a minimum of six years from the grant end date.
- XI. **OWNERSHIP OF DOCUMENTS.** (Complete this section and list conditions and documents when this provision is applicable).
- XII. **GOVERNMENT DATA PRACTICES.** The GRANTEE and State must comply with the Minnesota Government Data Practices Act, Minn. Stat. Ch. 13, as it applies to all data provided by the State under this grant agreement, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the Grantee under this grant agreement except for business plans, development agreements and related business exhibits, which are private by law. The civil remedies of Min. Stat. §13.08 apply to the release of the data referred to in this clause by either the GRANTEE or the State.

If the GRANTEE receives a request to release the data referred to in the clause, the Grantee must immediately notify the State. The State will give the GRANTEE instructions concerning the release of the data to the requesting party before the data is released.

XIII. **OTHER PROVISIONS.** (Attach additional page if necessary):

- A. If applicable, bid tabulations will be required for the project and a copy submitted to state contact person.
- B. The records or reports resulting from the work under this grant may be released for public inspection, and both parties shall have the privilege of publishing the reports; provided that publications by either party shall contain a statement of the cooperative relations between the parties hereto.
- C. Specifically, but without limitation, GRANTEE shall comply with and, to the extent required by law shall require its contractors and subcontractors performing work on the Project to comply with: Minnesota Statutes §181.59 (Non-discrimination); Minnesota Statutes §116J.871 and §177.43 (Prevailing Wages); Minnesota Statute §176.181, subd. 2 (Worker's Compensation); Minnesota Statutes §574.26 (Payment and Performance Bonds); Minnesota Statutes §363A.36



(Certificate of Compliance for private entities); and Minnesota Statutes §116L.66 (Job Listings for grants of \$200,000 or more to any private entity). American's with Disabilities Act 42 U.S.C.A. Sect. 12101.

- D. This grant is governed by the provisions in Minnesota Statutes §16B.97 and .98.
- E. **State contact person for this grant is Chris Ismil.**  
**Phone: 218-735-3010; Fax: 218-735-3046.**

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

APPROVED:

**1. GRANTEE:**  
(If a corporation, two corporate officers must execute.)

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

By: \_\_\_\_\_

Title: \_\_\_\_\_

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

**2. STATE AGENCY OR DEPARTMENT:**

By: \_\_\_\_\_  
ANTHONY SERTICH

Title: **COMMISSIONER**

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

**3. IRRRB FISCAL AGENT:**

By: \_\_\_\_\_  
BOB J. SCUFFY, JR.

Title: **ACCOUNTING OFFICER, SR.**

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

HAUSERS\GRANTS\GRANTS\WPY13\GRANDRAPIDS,CITYOF(DC MFG.),DOC

OR AUTHORIZED SIGNATORY

By: \_\_\_\_\_  
Name

Title: \_\_\_\_\_

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



IRON RANGE RESOURCES AND REHABILITATION BOARD  
OF THE STATE OF MINNESOTA

Resolution No.: FY96-005

WHEREAS, the Board is authorized and required under the provisions of Minnesota Statutes: Section 298.22, subdivision 2; Section 298.223, Subdivision 2; and Section 298.296, subdivision 2, to approve projects before any funds made available to the Commissioner under any such section (hereafter referred to as "IRRRB Funds") may be expended; and

WHEREAS, the Board met in open session on Friday, March 22, 1996, at Room 229, in the State Capitol Building, St. Paul, Minnesota, to consider the approval of various projects to be financed with IRRRB Funds, and at such meeting considered and discussed whether or under what circumstances wages should be paid to workers on IRRRB funded projects at rates which are consistent with the prevailing wage requirements for projects subject to Minnesota Statutes Sections 177.41 to 177.44;

WHEREAS, the Board on Monday, April 29, 1996, met in open session at the IRRRB Building at Eveleth, Minnesota, and further considered the matter of its policy on prevailing wages; and

WHEREAS, on the basis of such discussions and considerations the Board has determined that a policy statement regarding the payment of prevailing wages on IRRRB funded projects should be adopted so that it can be referred to and incorporated by reference as a condition of the Board's approval of specific projects which from time to time hereafter are submitted to it by the Commissioner for approval;

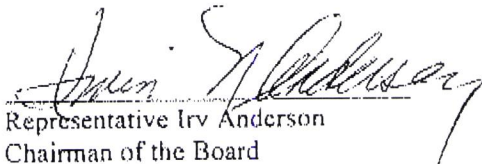
NOW, THEREFORE, BE IT RESOLVED that when the Board determines to invoke or apply a prevailing wage condition on a project, it intends that substantially the following language be inserted in the contract:

This Board's approval of funding for this project is subject to the further condition that the Grantee/Borrower must, before any IRRRB funds are paid or released, first certify to the commissioners of labor and industry and of Iron Range Resources and Rehabilitation that it will pay or require to be paid to all laborers, workers and mechanics performing work at the Project Site being financed in whole or in part with such IRRRB funds, wages at a rate not less than the prevailing wage rates as defined in Minnesota Statutes §177.42, subdivision 6, as amended. The term "Project Site" shall include not only the immediate physical location at which the improvements funded in whole or in part by these approved IRRRB funds are to be made, but also any other areas of substantially concurrent construction work within the same building or on the same or a connected parcel of land which is being done by the grantee/borrower or by a private business entity in association with the Grantee's/Borrower's project or in contractual reliance upon its being done.

BE IT FURTHER RESOLVED that this resolution may hereafter be referenced and referred to as "Resolution 96-005"

PASSED AND ADOPTED BY VOTE OF THE IRON RANGE RESOURCES AND REHABILITATION BOARD THIS 29th DAY OF APRIL, 1996

AYES: 11  
NAYS: 0  
ABSTENTIONS: 0  
ABSENT: 0

Signed:   
Representative Irv Anderson  
Chairman of the Board





# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0573      **Version:** 1      **Name:** 2012 Adv. Contracts  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/5/2012      **In control:** Civic Center, Parks & Recreation  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Entering into rental agreements with area businesses for advertising at the IRA Civic Center.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [09-10-12-advertising contracts to be signed](#)

Date	Ver.	Action By	Action	Result
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*Title*

Entering into rental agreements with area businesses for advertising at the IRA Civic Center.

*Body*

**Background Information:**

In 1993, the City Council approved the Civic Center advertising policy to generate revenue to offset operating cost. As part of this policy, agreements are renewed at the end of each term. The following is a new agreement:

**Clusiau's Sales and Rental, Inc., January 1, 2012 - December 31, 2013 - Olympia Ice Resurfacer - \$750 for 2012 and \$750 for 2013**

**Glorvigen & Associates, January 1, 2012 - December 31, 2013 - lighted wall sign - \$600 for 2012 and \$600 for 2013**

**Minnesota Power, January 1, 2012 - December 31, 2013 - lighted wall sign and Olympia Ice Resurfacer - \$975 for 2012 and \$975 for 2013**

**Woodland Bank, January 1, 2012 - December 31, 2013 - lighted wall sign and dasherboard- \$1,200 for 2012 and \$1,200 for 2013**

**Requested City Council Action**

Consider passing a motion authorizing appropriate signatures for an advertising rental agreement at the IRA Civic Center.

## AGREEMENT FOR RENTAL OF WALL LIGHTED SIGN

WHEREAS, the City of Grand Rapids, acting through the IRA Civic Center, Lessor, owns a multi-purpose facility known as the Civic Center; and

WHEREAS, it will be beneficial to certain business to acquire the privilege of using the advertising signs contained on the Olympia Ice Resurfacer of the IRA Civic Center for a certain period of years; and

WHEREAS, the Lessor desires to lease the available advertising sign to certain Lessees.

NOW, THEREFORE, IT IS HEREBY AGREED by the IRA Civic Center only, Lessor, and Clusiau's Sales and Rental, Inc. that the Lessee shall lease for a period of 2 (two) years, and will be automatically renewed yearly unless cancelled in writing according to paragraph 3 below, and according to the terms set forth herein and upon the following terms and conditions:

1. Signs will be placed on the left side of the Olympia Ice Resurfacer at the IRA Civic Center only, and Lessor shall have the final decision as to exact location of each sign. The choice of each sign and location shall be on a "FIRST COME, FIRST SERVED" basis. Lessor reserves the right to take into consideration actual placement of signs to insure maximum utilization of all advertising areas on the Olympia Ice Resurfacer at the IRA Civic Center.
2. The Lessee shall pay to the Lessor in consideration of the sign, the sum of \$750.00 in cash to the Lessor at the commencement of the rental term as set forth below.
3. The Lease term for the advertising space shall be as follows: January 1, 2012 to December 31, 2013. This contract will be automatically be renewed by the Lessor and Lessee yearly unless the Lessee provides written notice to the Lessor of their intent not to renew said lease. This written notice must be provided no later than December 1 of the year prior to the Lessee's cancellation. For example, if the lease has been automatically renewed for a third year, which would end December 31, 2012, the Lessee must notify the Lessor in writing no later than December 1, 2011 for cancellation effective December 31, 2012.
4. Lessee shall have the first right to rent the advertising signs to Lessee for successive years. Although the signed contract is due within 30 days, lessee will be invoiced and payment in full is due by January 31, 2012. The Lessor reserves the right to sell sign space if the payment is not received by March 30, 2012.
5. The Advertising logo and design to be used on the signs shall be provided by the Lessee and subject to approval by the Lessor. The Lessor will not unreasonably withhold its approval of any design submitted by Lessee, however, Lessor reserves the right to set standards for the substance and appearance of any advertising to be placed in the IRA Civic Center pursuant to this Agreement.
6. The expense of setup and art work of the sign shall be borne by the Lessee.

7. This agreement shall not be changed unless done so in writing by the Lessee.
8. The Lessee's advertising space cannot be sublet or resold.
9. All signs and materials are the property of the Lessor.
10. All maintenance of the signs will be the responsibility of the IRA Civic Center.
11. Lease rates and terms are \$750.00 per year for a total of \$1,500.00 for the Olympia Ice Resurfacer advertising space.

BY: Thomas Cusseau  
Lessee

DATE: 3/14/12

CITY OF GRAND RAPIDS (Lessor)

BY: \_\_\_\_\_  
Mayor

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

\_\_\_\_\_  
Shawn Gillen, City Administrator

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

## AGREEMENT FOR RENTAL OF WALL LIGHTED SIGN

WHEREAS, the City of Grand Rapids, acting through the IRA Civic Center, Lessor, owns a multi-purpose facility known as the Civic Center; and

WHEREAS, it will be beneficial to certain business to acquire the privilege of using the advertising signs contained on the interior walls the IRA Civic Center for a certain period of years; and

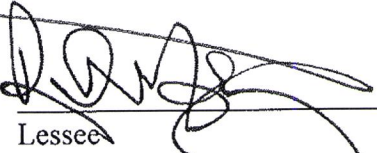
WHEREAS, the Lessor desires to lease the available advertising sign to certain Lessees.

NOW, THEREFORE, IT IS HEREBY AGREED by the IRA Civic Center only, Lessor, and **GLORVIGEN & ASSOCIATES** that the Lessee shall lease for a period of 2 (two) years according to the terms set forth herein and upon the following terms and conditions:

1. Signs will be placed on the interior walls of the IRA Civic Center only, and Lessor shall have the final decision as to exact location of each sign. The choice of each sign and location shall be on a "FIRST COME, FIRST SERVED" basis. Lessor reserves the right to take into consideration actual placement of signs to insure maximum utilization of all advertising areas on the interior walls of the IRA Civic Center.
2. The Lessee shall pay to the Lessor in consideration of the sign, the sum of \$600.00 in cash to the Lessor at the commencement of the rental term as set forth below.
3. The Lease term for the advertising space shall be as follows: January 1, 2012 to December 31, 2013. This contract will be automatically be renewed by the Lessor and Lessee yearly unless the Lessee provides written notice to the Lessor of their intent not to renew said lease. This written notice must be provided no later than December 1 of the year prior to the Lessee's cancellation. For example, if the lease has been automatically renewed for a third year, which would end December 31, 2012, the Lessee must notify the Lessor in writing no later than December 1, 2011 for cancellation effective December 31, 2012.
4. Lessee shall have the first right to rent the advertising signs to Lessee for successive years. Although the signed contract is due within 30 days, lessee will be invoiced and payment in full is due by January 31, 2012. The Lessor reserves the right to sell sign space if the payment is not received by March 30, 2012.
5. The Advertising logo and design to be used on the signs shall be provided by the Lessee and subject to approval by the Lessor. The Lessor will not unreasonably withhold its approval of any design submitted by Lessee, however, Lessor reserves the right to set standards for the substance and appearance of any advertising to be placed in the IRA Civic Center pursuant to this Agreement.
6. The expense of setup and art work of the sign shall be borne by the Lessee.
7. This agreement shall not be changed unless done so in writing by the Lessee.
8. The Lessee's advertising space cannot be sublet or resold.



9. All signs and materials are the property of the Lessor.
10. All maintenance of the signs will be the responsibility of the IRA Civic Center.
11. Lease rates and terms are \$600.00 per year for a total of \$1,200.00 for a 4 x 6 interior wall sign.

BY:  \_\_\_\_\_  
Lessee

DATE: 06.05.2012 \_\_\_\_\_

CITY OF GRAND RAPIDS (Lessor)

BY: \_\_\_\_\_  
Mayor

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

\_\_\_\_\_  
Shawn Gillen, City Administrator

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 200\_\_.

## AGREEMENT FOR RENTAL OF WALL LIGHTED SIGN AND OLYMPIA ADVERTISING

WHEREAS, the City of Grand Rapids, acting through the IRA Civic Center, Lessor, owns a multi-purpose facility known as the Civic Center; and

WHEREAS, it will be beneficial to certain business to acquire the privilege of using the advertising signs contained on the interior walls and the Olympia Ice Resurfacer at the IRA Civic Center for a certain period of years; and

WHEREAS, the Lessor desires to lease the available advertising sign to certain Lessees.

NOW, THEREFORE, IT IS HEREBY AGREED by the IRA Civic Center only, Lessor, and Minnesota Power that the Lessee shall lease for a period of 2 (two) years, and will be automatically renewed yearly unless cancelled in writing according to paragraph 3 below, and according to the terms set forth herein and upon the following terms and conditions:

1. Signs will be placed on the interior walls and the Olympia Ice Resurfacer of the IRA Civic Center only, and Lessor shall have the final decision as to exact location of each sign. The choice of each sign and location shall be on a "FIRST COME, FIRST SERVED" basis. Lessor reserves the right to take into consideration actual placement of signs to insure maximum utilization of all advertising areas on the interior walls and the Olympia Ice Resurfacer of the IRA Civic Center.
2. The Lessee shall pay to the Lessor in consideration of the sign, the sum of \$975.00 in cash to the Lessor at the commencement of the rental term as set forth below.
3. The Lease term for the advertising space shall be as follows: January 1, 2012 to December 31, 2013. This contract will be automatically be renewed by the Lessor and Lessee yearly unless the Lessee provides written notice to the Lessor of their intent not to renew said lease. This written notice must be provided no later than December 1 of the year prior to the Lessee's cancellation. For example, if the lease has been automatically renewed for a third year, which would end December 31, 2012, the Lessee must notify the Lessor in writing no later than December 1, 2011 for cancellation effective December 31, 2012.
4. Lessee shall have the first right to rent the advertising signs to Lessee for successive years. Although the signed contract is due within 30 days, lessee will be invoiced and payment in full is due by January 31, 2012. The Lessor reserves the right to sell sign space if the payment is not received by March 30, 2012.
5. The Advertising logo and design to be used on the signs shall be provided by the Lessee and subject to approval by the Lessor. The Lessor will not unreasonably withhold its approval of any design submitted by Lessee, however, Lessor reserves the right to set standards for the substance and appearance of any advertising to be placed in the IRA Civic Center pursuant to this Agreement.
6. The expense of setup and art work of the sign shall be borne by the Lessee.

7. This agreement shall not be changed unless done so in writing by the Lessee.
8. The Lessee's advertising space cannot be sublet or resold.
9. All signs and materials are the property of the Lessor.
10. All maintenance of the signs will be the responsibility of the IRA Civic Center.
11. Lease rates and terms are \$975.00 per year for a total of \$1,950.00 for a 4 x 6 interior wall sign and for the Olympia Ice Resurfacers advertising.

BY: Crystal Burgegrad  
Lessee

DATE: 6/12/12

CITY OF GRAND RAPIDS (Lessor)

BY: \_\_\_\_\_  
Mayor

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

\_\_\_\_\_  
Shawn Gillen, City Administrator

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_.

## AGREEMENT FOR RENTAL OF WALL LIGHTED SIGN

WHEREAS, the City of Grand Rapids, acting through the IRA Civic Center, Lessor, owns a multi-purpose facility known as the Civic Center; and

WHEREAS, it will be beneficial to certain business to acquire the privilege of using the advertising signs contained on the interior walls and/or dasherboards the IRA Civic Center for a certain period of years; and

WHEREAS, the Lessor desires to lease the available advertising sign to certain Lessees.

NOW, THEREFORE, IT IS HEREBY AGREED by the IRA Civic Center only, Lessor, and **Woodland Bank** that the Lessee shall lease for a period of 2 (two) years, and will be automatically renewed yearly unless cancelled in writing according to paragraph 3 below, and according to the terms set forth herein and upon the following terms and conditions:

1. Signs will be placed on the interior walls and/or dasherboards of the IRA Civic Center only, and Lessor shall have the final decision as to exact location of each sign. The choice of each sign and location shall be on a "FIRST COME, FIRST SERVED" basis. Lessor reserves the right to take into consideration actual placement of signs to insure maximum utilization of all advertising areas on the interior walls and/or dasherboards of the IRA Civic Center.
2. The Lessee shall pay to the Lessor in consideration of the sign and/or dasherboard, the sum of \$400.00 in cash to the Lessor at the commencement of the rental term as set forth below.
3. The Lease term for the advertising space shall be as follows: January 1, 2012 through December 31, 2013. This contract will automatically be renewed by the Lessor and Lessee yearly unless the Lessee provides written notice to the Lessor of their intent not to renew said lease. This written notice must be provided no later than December 1 of the year prior to the Lessee's cancellation. For example, if the lease has been automatically renewed for a third year, which would end December 31, 2013, the Lessee must notify the Lessor in writing no later than December 1, 2012 for cancellation effective December 31, 2012.
4. Lessee shall have the first right to rent the advertising signs to Lessee for successive years. Although the signed contract is due within 30 days, lessee will be invoiced and payment in full is due August 30, 2011. The Lessor reserves the right to sell sign space if the payment is not received by August 30, 2011,
5. The Advertising logo and design to be used on the signs shall be provided by the Lessee and subject to approval by the Lessor. The Lessor will not unreasonably withhold its approval of any design submitted by Lessee; however, Lessor reserves the right to set standards for the substance and appearance of any advertising to be placed in the IRA Civic Center pursuant to this Agreement.
6. The expense of setup and art work of the sign shall be borne by the Lessee.

7. This agreement shall not be changed unless done so in writing by the Lessee.
8. The Lessee's advertising space cannot be sublet or resold.
9. All signs and materials are the property of the Lessor.
10. All maintenance of the signs will be the responsibility of the IRA Civic Center.
11. Lease rates and terms are \$400.00 for the remainder of 2011, \$1200 for 2012, and \$1200 for 2013 for a total of \$2,800.00 for a 4 x 5 interior wall sign and/or dasherboard advertisement.

BY: Deanna K. Nicklason  
Lessee

DATE: June 8, 2012

CITY OF GRAND RAPIDS (Lessor)

BY: \_\_\_\_\_  
Mayor

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

\_\_\_\_\_  
City Clerk/Administrator

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2011.



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

# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0574      **Version:** 1      **Name:** Satisfaction of Mortgage-019643  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/5/2012      **In control:** Finance  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider approving a Satisfaction of Mortgage for homeowner with household number 019643 who has satisfied the requirements of the Department of Trade and Economic Development Home Rehabilitation Grant Program and authorizing the necessary signatures.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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*Title*

Consider approving a Satisfaction of Mortgage for homeowner with household number 019643 who has satisfied the requirements of the Department of Trade and Economic Development Home Rehabilitation Grant Program and authorizing the necessary signatures.

*Body*

**Background Information:**

The City of Grand Rapids received a \$1,309,000 grant from the Department of Trade and Economic Development in May 2000 for water, sewer, and residential rehabilitation for the Stoeke Addition.

The program offered deferred loans to qualifying individuals for residential rehabilitation. If the homeowner lived in the residence for five years, the loan is forgiven. The names of the individuals who received these loans are confidential; consequently, they are referred to by household number.

A homeowner with household number 019643 has satisfied the requirements of the Deferred Loan Repayment Agreement and Mortgage. We are requesting the approval of the Satisfaction of Mortgage for this homeowner and authorizing the necessary signatures.

**Requested City Council Action**

Consider approving a Satisfaction of Mortgage for homeowner with household number 019643 who has satisfied the requirements of the Department of Trade and Economic Development Home Rehabilitation Grant Program and authorizing the necessary signatures.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

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**File #:** 12-0575      **Version:** 1      **Name:** Conc. Hire-Cint  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/5/2012      **In control:** Civic Center, Parks & Recreation  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Approve the hiring of a temporary employee with the IRA Civic Center and Grand Rapids Sports Complex beginning September 11, 2012.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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**Title**

Approve the hiring of a temporary employee with the IRA Civic Center and Grand Rapids Sports Complex beginning September 11, 2012.

**Body**

**Background Information:**

Christine Cint will be hired to work at the IRA Civic Center and Grand Rapids Sports Complex starting at \$7.25 an hour as a concession worker. She will be an additional employee to those who currently work at the IRA Civic Center and Grand Rapids Sports Complex. This expense is covered in the 2012 budget.

**Requested City Council Action**

Consider approving the hiring of a temporary employee with the IRA Civic Center and Grand Rapids Sports Complex beginning September 11, 2012.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

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**File #:** 12-0576      **Version:** 1      **Name:** Operating transfer from PIR to Library  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/5/2012      **In control:** Finance  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider adopting a resolution approving an operating transfer from the Permanent Improvement Revolving Fund to the Grand Rapids Public Library Fund in the amount of \$6,476.50.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [\\$6,476.50 operating transfer from PIR to 211-solar panel.pdf](#)

Date	Ver.	Action By	Action	Result
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*Title*

Consider adopting a resolution approving an operating transfer from the Permanent Improvement Revolving Fund to the Grand Rapids Public Library Fund in the amount of \$6,476.50.

*Body*

**Background Information:**

At the July 23, 2012 Council meeting, the Council approved the quote from Casper Construction to complete one concrete base and mounting pole for the first solar sunflower at the Library to be funded from the Permanent Improvement Revolving Fund (PIR). Since the solar panels will be part of the Library's capital assets, the cost has to be expended from the Library fund. Consequently, we are requesting an operating transfer from the PIR Fund to the Library fund to cover the cost. This is just an accounting adjustment.

**Requested City Council Action**

Consider adopting a resolution approving an operating transfer from the Permanent Improvement Revolving Fund to the Grand Rapids Public Library Fund in the amount of \$6,476.50.



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

RESOLUTION NO. 12-

A RESOLUTION AUTHORIZING AN OPERATING TRANSFER FROM THE CAPITAL PROJECT FUND-PERMANENT IMPROVEMENT REVOLVING FUND TO THE SPECIAL REVENUE FUND-LIBRARY IN THE AMOUNT OF \$6,476.50

WHEREAS, at the July 23, 2012 Council meeting, the Council approved the quote from Casper Construction to complete one concrete base and mounting pole for the first solar panel sunflower at the Library to be funded from the Permanent Improvement Revolving Fund, and

WHEREAS, since the solar panels will be part of the Library's capital assets, the cost has to be expended from the Library fund,

NOW THEREFORE, BE IT RESOLVED, the City Council of the City of Grand Rapids, Itasca County, Minnesota, authorizes an operating transfer from the Capital Project Fund-Permanent Improvement Revolving Fund to the Special Revenue Fund-Library in the amount of \$6,476.50.

Adopted this 10<sup>th</sup> day of September, 2012.

---

Dale Adams, Mayor

Attest:

---

Kim Johnson-Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.



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

# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0580      **Version:** 1      **Name:** Feasibility Study - YMCA  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/5/2012      **In control:** Administration  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Accept the capital campaign feasibility study for the Active Living Center at the YMCA.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

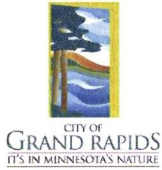
Date	Ver.	Action By	Action	Result
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*Title*

Accept the capital campaign feasibility study for the Active Living Center at the YMCA.

Requested Council Action

Accept the capital campaign feasibility study for the Active Living Center at the YMCA, and accept the recommendation of the Active Living Center Board to hire Donor By Design to act as consultant during the capital Campaign. Funds for the consultant will be part of the project costs and paid for by project revenues.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

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**File #:** 12-0584      **Version:** 1      **Name:** Mesabi Range Training Contract  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/5/2012      **In control:** Administration  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Approve Customized Training Income Contract with Mesabi Range Community & Technical College.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Mesabi Range Training Contract](#)

Date	Ver.	Action By	Action	Result
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*Title*

Approve Customized Training Income Contract with Mesabi Range Community & Technical College.

FY	Cost Center	Obj Code	Amount	Vendor #	P.O.#
20133	312015	9182	\$2500.00	79906	

STATE OF MINNESOTA

MINNESOTA STATE COLLEGES AND UNIVERSITIES

Mesabi Range Community & Technical College  
 Eveleth Campus  
 P.O. Box 648  
 Eveleth, MN 55734  
 218-741-3095

CUSTOMIZED TRAINING INCOME CONTRACT

Mesabi Range Community & Technical College - Eveleth Campus (hereafter "COLLEGE/UNIVERSITY"), by virtue of its delegated authority from the Board of Trustees of the Minnesota State Colleges and Universities, and Grand Rapids Fire Dept (hereafter "PURCHASER") agree as follows:

I. DUTIES OF THE COLLEGE/UNIVERSITY. The COLLEGE/UNIVERSITY agrees to provide the following:

Title of Instruction/Activity/Service:

Advanced Pump Operations

Date(s) of Instruction/Activity/Service:

Monday, September 24, 2012 through Tuesday, September 25, 2012, 5:00 pm - 10:00 pm

Instructor/Trainer/Consultant:

Chris Noeldner, 1st Line Apparatus

Location:

Grand Rapids Fire Department, 18 NE 5th Street, Grand Rapids, MN 55744, 218-326-2832

Other Provisions:

PLEASE NOTE: Any student with an academic or financial hold on his or her record at Mesabi Range Community & Technical College will not be registered for this class and will not receive certification until that student has cleared up any discrepancy with the college. It is imperative for each student to be in good financial and academic standing before attending this class.

Provide area suitable for classroom training and instruction.

The host fire department agrees to make available, for the purpose of hands-on training, related fire equipment and apparatus as needed.

II. DUTIES OF THE PURCHASER. The PURCHASER agrees to provide:

Usual

III. SITE OF INSTRUCTION/ACTIVITY/SERVICE:

Shawn Gillen, City Administrator, 420 N Pokegama Avenue, Grand Rapids, MN 55744, 218-326-7600

IV. CONSIDERATION AND TERMS OF PAYMENT

A. Cost

Cost of Instruction/Activity/Service (total or per hour):

Two Thousand Five Hundred and NO/100 Dollars for Training (\$2500.00)

Other fees:

Not Applicable

Notwithstanding the thirty (30) day notice period established in paragraph VII, in the event that the PURCHASER desires to cancel or reschedule the Instruction/Activity/Service due to low enrollment, PURCHASER shall give at least thirty (30) days notice in writing to the COLLEGE/UNIVERSITY'S authorized agent to cancel or reschedule.

If the Instruction/Activity/Service is canceled as provided herein, the COLLEGE/UNIVERSITY shall be entitled to payment calculated according to paragraph VII. If the Instruction/Activity/Service is rescheduled as provided herein, payment shall be according to this paragraph IV.

B. Terms of Payment. The COLLEGE/UNIVERSITY will send an invoice for the Instruction/Activity/Service performed. The PURCHASER will pay within thirty (30) days of receiving the invoice. Please send payment to:

Mesabi Range Community & Technical College  
Attn: Business Office  
1001 Chestnut Street West  
Virginia, MN 55792

V. AUTHORIZED AGENTS FOR THE PURPOSES OF THIS CONTRACT.

A. PURCHASER'S authorized agent:

B. COLLEGE/UNIVERSITY'S authorized agent: Brian Fors, Interim Provost

VI. TERM OF CONTRACT

A. Effective date: September 24, 2012

B. End date: September 25, 2012 or until all obligations set forth in this contract have been satisfactorily fulfilled, whichever occurs first.

VII. CANCELLATION. This contract may be canceled by the PURCHASER or the COLLEGE/UNIVERSITY at any time, with or without cause, upon thirty (30) days written notice to the other party. In the event of such a cancellation, the COLLEGE/UNIVERSITY shall be entitled to payment, determined on a pro rata basis, for work or Instruction/Activity/Service satisfactorily performed.

VIII. ASSIGNMENT. Neither the PURCHASER nor the COLLEGE/UNIVERSITY shall assign or transfer any rights or obligations under this contract without the prior written approval of the other party.

IX. LIABILITY. PURCHASER agrees to indemnify and save and hold the COLLEGE/UNIVERSITY, its representatives and employees harmless from any and all claims or causes of action arising from the performance of this contract by the PURCHASER or the PURCHASER'S agents or employees. This clause shall not be construed to bar any legal remedies the PURCHASER may have for the COLLEGE/UNIVERSITY'S failure to fulfill its obligations pursuant to this contract.

X. AMERICANS WITH DISABILITIES ACT (ADA) COMPLIANCE. The PURCHASER agrees that in fulfilling the duties of this contract, the PURCHASER is responsible for complying with the applicable provisions of the Americans with Disabilities Act, 42 U.S.C. Section 12101, et seq. and regulations promulgated pursuant to it. The COLLEGE/UNIVERSITY IS NOT responsible for issues or challenges related to compliance with the ADA beyond its own routine use of facilities, services, or other areas covered by the ADA.

XI. AMENDMENTS. Any amendments to this contract shall be in writing and shall be executed by the same parties who executed the original contract or their successors in office.

XII. GOVERNMENT DATA PRACTICES ACT. The PURCHASER must comply with the Minnesota Government Data Practices Act, Minnesota Statutes Chapter 13, as it applies to all data provided by the COLLEGE/UNIVERSITY in accordance with this contract, and as it applies to all data created, collected, received, stored, used, maintained, or disseminated by the PURCHASER in accordance with this contract. The civil remedies of Minnesota Statutes Section 13.08, apply to the release of the data referred to in this Article by either the PURCHASER or the COLLEGE/UNIVERSITY.

In the event the PURCHASER receives a request to release the data referred to in this Article, the PURCHASER must immediately notify the COLLEGE/UNIVERSITY. The COLLEGE/UNIVERSITY will give the PURCHASER instructions concerning the release of the data to the requesting party before the data is released.

- XIII. RIGHTS IN ORIGINAL MATERIALS. The COLLEGE/UNIVERSITY shall own all rights, including all intellectual property rights, in all original materials, including any curriculum materials, inventions, reports, studies, designs, drawings, specifications, notes, documents, software and documentation, computer based training modules, electronically or magnetically recorded materials, and other work in whatever form, developed by the COLLEGE/UNIVERSITY and its employees individually or jointly with others or any subPURCHASER in the performance of its obligations under this contract. This provision shall not apply to the following materials:
- XIV. JURISDICTION AND VENUE. This contract, and amendments and supplements thereto, shall be governed by the laws of the State of Minnesota. Venue for all legal proceedings arising out of this contract, or breach thereof, shall be in the state or federal court with competent jurisdiction in Ramsey County, Minnesota.
- XV. OTHER PROVISIONS.

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

APPROVED:

1. PURCHASER:

PURCHASER certifies that the appropriate person(s) have executed the contract on behalf of PURCHASER as required by applicable articles, by-laws, resolutions, or ordinances.

By (authorized signature)
Title
Date



By (authorized signature)
Title
Date

2. MINNESOTA STATE COLLEGES AND UNIVERSITIES  
Mesabi Range Community & Technical College - Eveleth Campus

By (authorized college/university signature) <i>B. D. Jones</i>
Title <i>Interim Provost</i>
Date <i>8/31/12</i>



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

# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0586      **Version:** 1      **Name:** CP 2011-6 CO and WO 1  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/6/2012      **In control:** Engineering  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Change Order 1 and Work Order 1 related to CP 2011-6, Horseshoe Lake Road Improvements.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [9-10-12 Attachment CP 2011-6 CO 1 and WO 1.pdf](#)  
[9-10-12 Attachment Drawing CP 2011-6 CO 1 and WO 1.pdf](#)

Date	Ver.	Action By	Action	Result
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*Title*

Change Order 1 and Work Order 1 related to CP 2011-6, Horseshoe Lake Road Improvements.

*Body*

**Background Information:**

Change Order 1 is a result of additional damage caused to 15th Street SW as a result of major rain events in late June while the project was out to bids. The total of CO 1 is \$74,414.55. FEMA has indicated that they will cover 75% of the entire 15th Street project cost estimated at \$161,670.28 and that the State may pick up the remaining 25%. Drawings are attached showing the before and after damage.

Work Order 1 is for additional storm sewer work on Golf Course Road where an unknown storm sewer was encountered. The total for WO 1 is \$4,335.01.

**Staff Recommendation:**

City staff is recommending the approval of CO 1 and WO 1 with Casper Construction in an amount of \$74,414.55 and \$4,335.01 respectively.

**Requested City Council Action**

Consider approval of CO 1 and WO 1 with Casper Construction in an amount of \$74,414.55 and \$4,335.01 respectively.



STATE AID FOR LOCAL TRANSPORTATION  
CHANGE ORDER

Nov 2007

City/County of City of Grand Rapids

Change Order No. 1

FEDERAL PROJECT NO.	STATE PROJECT NO. SAP 129-143-002	LOCAL PROJECT NO. GRANR 118053	CONTRACT NO. 2011-6
CONTRACTOR NAME AND ADDRESS Casper Construction PO Box 480 Grand Rapids, MN 55744		LOCATION OF WORK Horseshoe Lake Road	
		TOTAL CHANGE ORDER AMOUNT \$74,414.55	

In accordance with the terms of this Contract, you are hereby authorized and instructed to perform the work as altered by the following provisions. After bidding the project, further modifications to the 15th Street Storm Sewer were required due to the storm damage. This change order covers the additional work to repair the roadway and storm sewer.

COST BREAKDOWN

Item No.	Item	Unit	Unit Price	Quantity	Amount
Funding Category No. 001					
2101.502	CLEARING	TREE	\$900.00	13	\$11,700.00
2101.507	GRUBBING	TREE	\$500.00	13	\$6,500.00
2104.501	REMOVE SEWER PIPE (STORM)	LIN FT	\$6.00	115	\$690.00
2104.501	REMOVE CONCRETE CURB	LIN FT	\$3.00	235	\$705.00
2104.505	REMOVE BITUMINOUS PAVEMENT	SQ YD	\$3.00	510	\$1,530.00
2104.513	SAWING BIT PAVEMENT (FULL DEPTH)	LIN FT	\$1.65	87	\$143.55
2105.501	COMMON EXCAVATION	CU YD	\$4.75	165	\$783.75
2105.604	GEOTEXTILE FABRIC TYPE IV	SQ YD	\$2.50	20	\$50.00
2211.503	AGGREGATE BASE (CV) CLASS 5	CU YD	\$20.00	165	\$3,300.00
2360.501	TYPE SP 9.5 WEARING COURSE MIX (3,B)	TON	\$68.20	75	\$5,115.00
2360.502	TYPE SP 12.5 NON WEAR COURSE MIX (3,B)	TON	\$64.00	120	\$7,680.00
2503.541	15" RC PIPE SEWER DES 3006 CL V	LIN FT	\$34.35	70	\$2,404.50
2503.541	18" RC PIPE SEWER DES 3006 CL V	LIN FT	\$38.80	45	\$1,746.00
2503.602	CONNECT TO EXISTING STORM SEWER	EACH	\$500.00	5	\$2,500.00
2504.602	RELOCATE WATERMAIN	EACH	\$4,613.25	1	\$4,613.25

2506.502	CONST DRAINAGE STRUCTURE DESIGN G	EACH	\$1,200.00	2	\$2,400.00
2506.502	CONST DRAINAGE STRUCTURE DES 48-4020	EACH	\$1,500.00	2	\$3,000.00
2506.516	CASTING ASSEMBLY	EACH	\$800.00	6	\$4,800.00
2506.522	ADJUST FRAME & RING CASTING	EACH	\$350.00	1	\$350.00
2506.602	SEAL CATCH BASIN	EACH	\$300.00	3	\$900.00
2511.501	RANDOM RIPRAP CLASS III	CU YD	\$50.00	20	\$1,000.00
2531.501	CONCRETE CURB & GUTTER DESIGN SPECIAL	LIN FT	\$14.00	235	\$3,290.00
2564.531	SIGN PANELS TYPE C	SQ FT	\$39.50	9	\$355.50
2573.505	FLOTATION SILT CURTAIN TYPE MOVING WATER	LIN FT	\$33.00	50	\$1,650.00
2575.505	SODDING TYPE LAWN	SQ YD	\$3.50	300	\$1,050.00
2575.601	SEDIMENT REMOVAL	LUMP SUM	\$6,158.00	1	\$6,158.00
Funding Category No. 001 Total:					\$74,414.55
Change Order No. 1 Total:					\$74,414.55

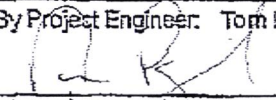

\* Funding category is required for federal projects.

**CHANGE IN CONTRACT TIME (check one)**  
 Due to this change the Contract Time:

a.  Is Increased by \_\_\_\_\_ Working Days  
 Is Decreased by \_\_\_\_\_ Working Days  
 Is Increased by \_\_\_\_\_ Calendar Days  
 Is Decreased by \_\_\_\_\_ Calendar Days

b.  Is Not Changed

c.  May be revised if work affected the controlling operation

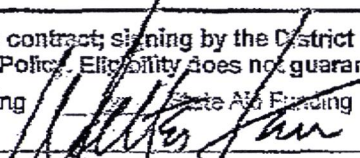
Approved By Project Engineer: Tom Pagel	Approved By Contractor: Casper Construction
Signed: 	Signed: 
Date: 8/30/12 Phone: (218) 326-7601	Date: 8/24/12 Phone: (218) 326-9637

Original to Project Engineer; Copy to Contractor

Once contract has been fully executed, forward a copy to DSAE for funding review:

The State of Minnesota is not a participant in this contract; signing by the District State Aid Engineer is for FUNDING PURPOSES ONLY. Reviewed for compliance with State and Federal Aid Rules/Policies. Eligibility does not guarantee funds will be available.

This project is eligible for: \_\_\_\_\_ Federal Funding \_\_\_\_\_ State Aid Funding  Local funds

District State Aid Engineer:  Date: 8/28/12

STATE AID FOR LOCAL TRANSPORTATION  
WORK ORDER FOR MINOR EXTRA WORK

Nov 2007

City/County of City of Grand Rapids

Work Order No. 1

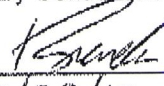
FEDERAL PROJECT NO.	STATE PROJECT NO. SAP 129-143-002	LOCAL PROJECT NO. GRANR 118053	CONTRACT NO. 2011-6
CONTRACTOR NAME AND ADDRESS Casper Construction PO Box 480 Grand Rapids, MN 55744		LOCATION OF WORK Horseshoe Lake Road	
		TOTAL WORK ORDER AMOUNT \$4,335.01	

In accordance with the terms of this Contract, you are hereby authorized and instructed to perform the work as altered by the following provisions.  
During construction, an unknown storm pipe was found that required connection into the new system. This work order covers the cost to make this connection. The 72" storm structure line item covers the cost to block build this structure, including the top and bottom slabs.

**COST BREAKDOWN**

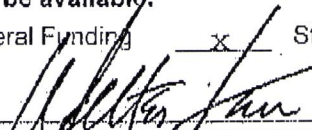
Item No.	Item	Unit	Unit Price	Quantity	Amount
<b>Funding Category No. 002</b>					
2104.501	REMOVE SEWER PIPE (STORM)	LIN FT	\$6.00	22	\$132.00
2123.601	CREW DOWNTIME	LS	\$1,603.01	1	\$1,603.01
2503.602	CONNECT TO EXISTING STORM SEWER	EACH	\$500.00	1	\$500.00
2506.502	CONST DRAINAGE STRUCTURE DES 48-4020	EACH	(\$1,500.00)	1	(\$1,500.00)
2506.502	CONST DRAINAGE STRUCTURE DES 72-4020	EACH	\$3,600.00	1	\$3,600.00
<b>Funding Category No. 002 Total:</b>					<b>\$4,335.01</b>
<b>Work Order No. 1 Total:</b>					<b>\$4,335.01</b>

\* Funding category is required for federal projects.

Approved By Project Engineer: Tom Pagel	Approved By Contractor: Casper Construction
Signed _____	Signed 
Date: _____ Phone: (218) 326-7601	Date: <u>8/29/12</u> Phone: (218) 326-9637




Original to Project Engineer; Copy to Contractor

Once contract has been fully executed, forward a copy to DSAE for funding review:

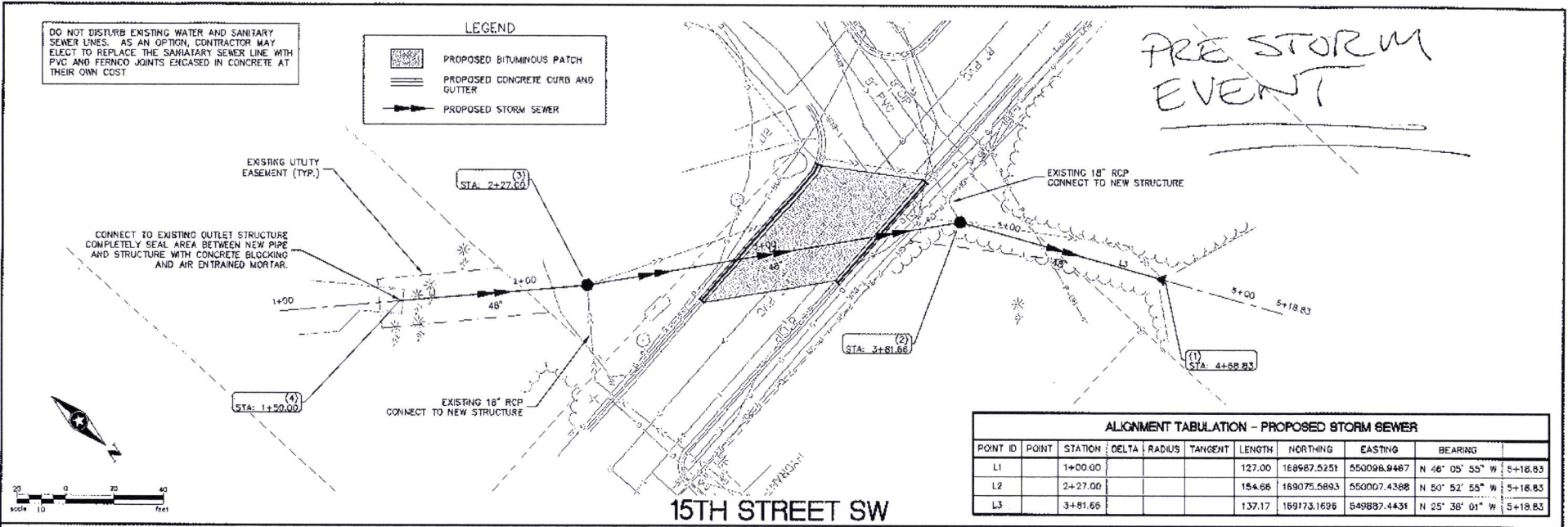
<b>The State of Minnesota is not a participant in this contract; signing by the District State Aid Engineer is for FUNDING PURPOSES ONLY. Reviewed for compliance with State and Federal Aid Rules/Policy. Eligibility does not guarantee funds will be available.</b>	
This project is eligible for: _____ Federal Funding <input checked="" type="checkbox"/> _____ State Aid Funding <input checked="" type="checkbox"/> _____ Local funds	
District State Aid Engineer: 	Date: <u>8/29/12</u>

DO NOT DISTURB EXISTING WATER AND SANITARY SEWER LINES. AS AN OPTION, CONTRACTOR MAY ELECT TO REPLACE THE SANITARY SEWER LINE WITH PVC AND FERNCO JOINTS ENCASED IN CONCRETE AT THEIR OWN COST.

LEGEND

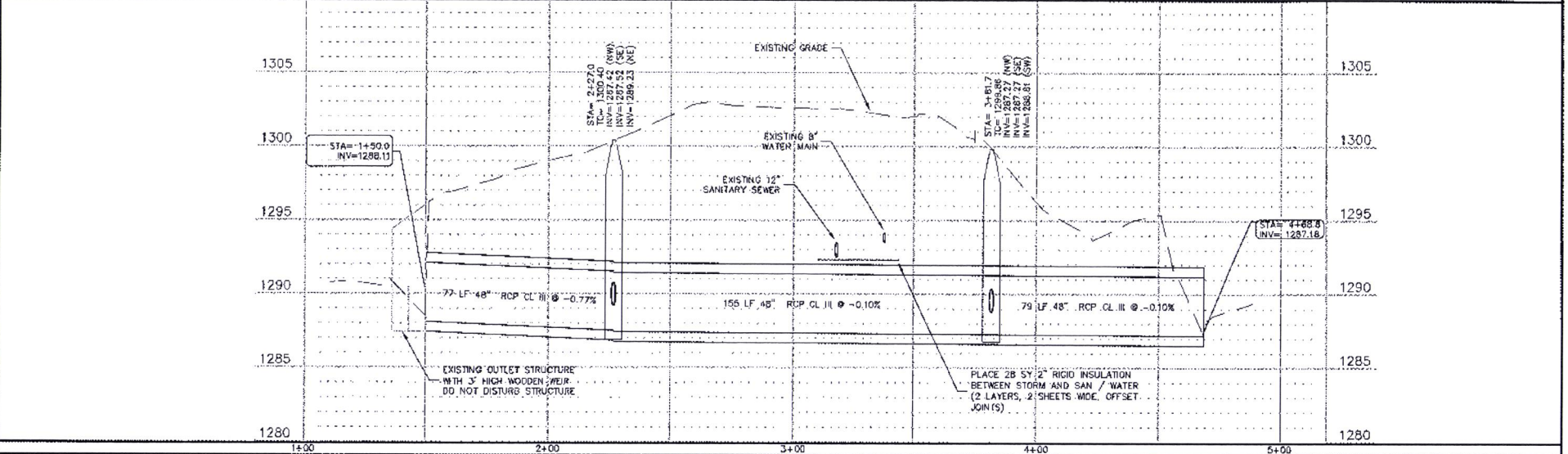
-  PROPOSED BITUMINOUS PATCH
-  PROPOSED CONCRETE CURB AND GUTTER
-  PROPOSED STORM SEWER

PRE STORM EVENT



ALIGNMENT TABULATION - PROPOSED STORM SEWER										
POINT ID	POINT	STATION	DELTA	RADIUS	TANGENT	LENGTH	NORTHING	EASTING	BEARING	
L1		1+00.00				127.00	168987.5251	550098.9467	N 46° 05' 55" W	S+18.83
L2		2+27.00				154.66	169075.5893	550007.4368	N 50° 52' 55" W	S+18.83
L3		3+81.66				137.17	169173.1696	549887.4431	N 25° 38' 01" W	S+18.83

15TH STREET SW



DRAWN BY: <u>MAY</u> DESIGNER: <u>WCH</u> CHECKED BY: <u>JST</u> DESIGN TEAM: _____ NO: _____ BY: _____ DATE: _____	REVISIONS _____ _____ _____	I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A DAILY LICENSED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA.  MATTHEW NEGRET, P.E. Date: <u>FEBRUARY 7, 2012</u> Lic. No. <u>45016</u>	 PHONE: 218.329.4500 23 AC 8TH ST STE 200 GRAND RAPIDS, MN 55744-2501 www.sehinc.com	GRAND RAPIDS, MINNESOTA	PLAN AND PROFILE 15TH STREET SW	FILE NO. 110492 TASK 21	5 5
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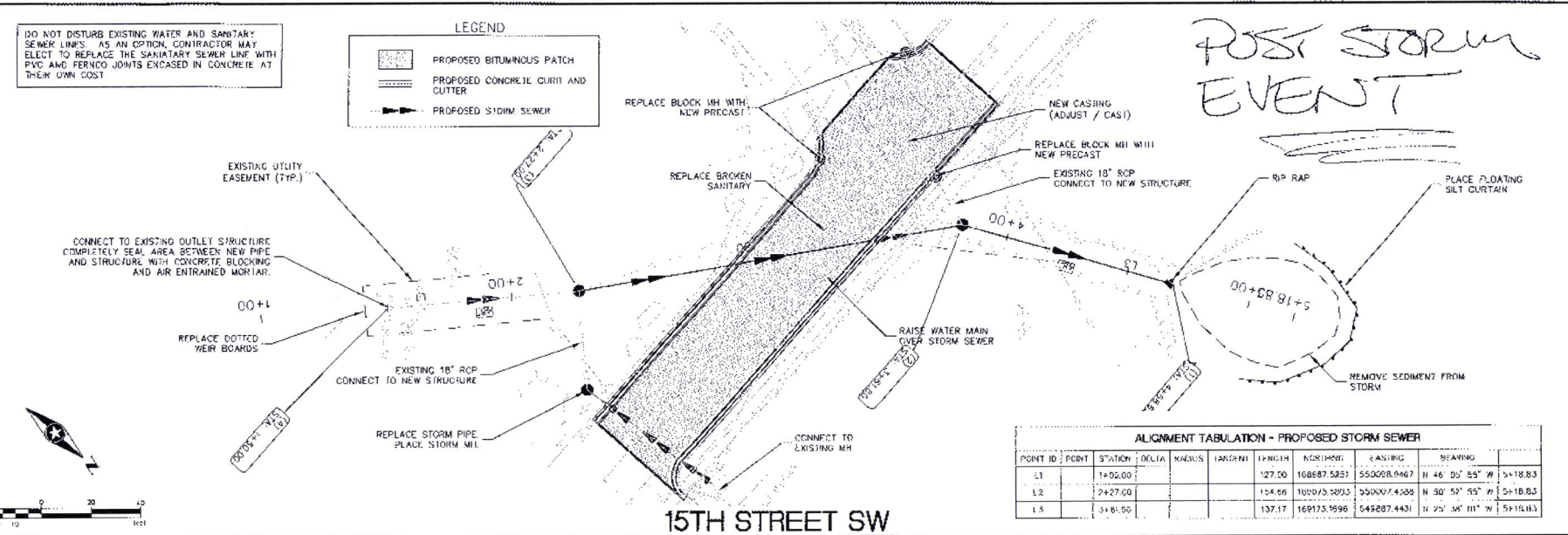
P:\V\G\GRANDRAPIDS\110492\Task\_21\15th St SW Storm Sewer.dwg 2/7/2012 12:06 PM  
 Drawn by: MAY

DO NOT DISTURB EXISTING WATER AND SANITARY SEWER LINES. AS AN OPTION, CONTRACTOR MAY ELECT TO REPLACE THE SANITARY SEWER LINE WITH PVC AND FERRIS JOINTS ENCASED IN CONCRETE AT THEIR OWN COST.

**LEGEND**

- PROPOSED BITUMINOUS PATCH
- PROPOSED CONCRETE CURB AND CUTTER
- PROPOSED 18" RCP

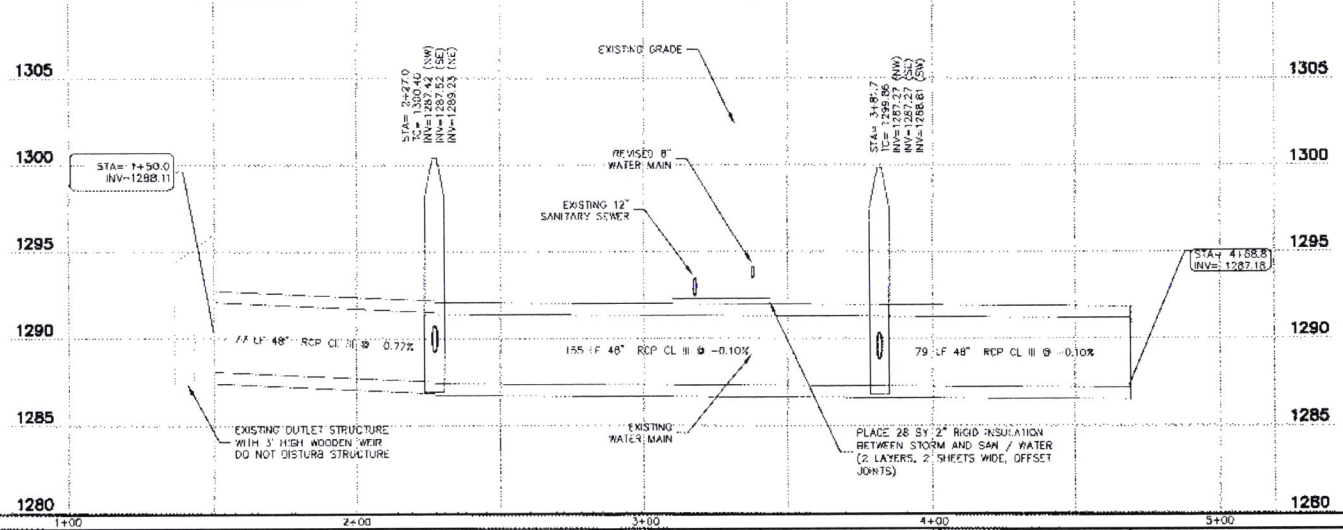
POST STORM EVENT



**ALIGNMENT TABULATION - PROPOSED STORM SEWER**

POINT ID / POINT	STATION	DELTA	ANGLE	LENGTH	NORTHING	EASTING	BEARING
L1	1+00.00			127.50	168887.5287	550058.0467	N 46° 05' 55" W
L2	2+27.00			124.56	169045.5093	550007.4389	N 50° 57' 55" W
L3	3+81.50			137.17	169173.9596	549287.4431	N 25° 36' 00" W

15TH STREET SW



DRAWN BY: JMW DESIGNED BY: JMW CHECKED BY: JST DESIGN TEAM:	1 11/11/11 2 08-08-11 NO. BY DATE	ADDED REVISIONS DUE TO AWD STORM REVISIONS	I HEREBY CERTIFY THAT THIS PLAN WAS PREPARED BY ME OR UNDER MY DIRECT SUPERVISION AND THAT I AM A QUALIFIED PROFESSIONAL ENGINEER UNDER THE LAWS OF THE STATE OF MINNESOTA. <i>Matthew W. Johnson</i> FEBRUARY 2, 2012 STATE OF MINNESOTA WATERWORKS ENGINEER LICENSE NO. 55514-2001	 PHONE: 218.722.1500 21 W. 5TH ST. S/E 200 GRAND RAPIDS, MN 55704-2001 WWW.SEHCC.COM	GRAND RAPIDS, MINNESOTA REVISED PLAN AND PROFILE 15TH STREET SW	FILE NO. 10492 TASK 21 5 5
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C:\Users\jmw\Documents\10492\10492\_21\_01\_01\_01\15th Street SW\15th Street SW\15th Street SW.dwg 2/7/2012



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

# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

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**File #:** 12-0587      **Version:** 1      **Name:** CP 2012-4 DNR Grant Resolution  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/6/2012      **In control:** Engineering  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** A resolution committing to the local match for a MN DNR Legacy Trail Grant for CP 2012-7, TH 169 Multi-Use Trail, Phase 3.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [9-10-12 Attachment CP 2012-7 Grant Resolution.pdf](#)  
[Trail Location Map 092611 8 5x11.pdf](#)

Date	Ver.	Action By	Action	Result
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*Title*

A resolution committing to the local match for a MN DNR Legacy Trail Grant for CP 2012-7, TH 169 Multi-Use Trail, Phase 3.

*Body*

**Background Information:**

Last year the City submitted a grant request to the MN DNR Legacy Trail Grant for CP 2012-7, TH 169 Multi-Use Trail, Phase 3. This trail segment is part of the comprehensive trail plan network and is supported by MNDOT's Complete Street Plan of Grand Rapids. See attached drawing for project location.

The attached resolution authorizes the grant submittal and financial commitment of \$86,643 which would come from the PIR fund.

**Staff Recommendation:**

City staff is recommending the attached resolution for a MN DNR Legacy Trail Grant for CP 2012-7, TH 169 Multi-Use Trail, Phase 3.

**Requested City Council Action**

Consider the attached resolution for a MN DNR Legacy Trail Grant for CP 2012-7, TH 169 Multi-Use Trail, Phase 3.

**Attachment B – RESOLUTION SUPPORTING APPLICATION**

**Resolution \_\_\_-12**

WHEREAS, the City of Grand Rapids supports the grant application made to the Minnesota Department of Natural Resources for the Parks and Trails Legacy Grant Program. The application is to construct five (0.94) miles of paved trail for the TH 169 Multi-Use Trail, Phase 3 Trail system. The trail system is located adjacent to TH 169 from 7<sup>th</sup> Street NE to the Prairie River, and

WHEREAS, the City of Grand Rapids recognizes that it has secured \$86,643 in non-state cash matching funds for this project.

NOW, THEREFORE, BE IT RESOLVED, if the City of Grand Rapids is awarded a grant by the Minnesota Department of Natural resources, the City of Grand Rapids agrees to accept the grant award, and may enter into an agreement with the State of Minnesota for the above referenced project. The City of Grand Rapids will comply with all applicable laws, environmental requirements and regulations as stated in the grant agreement, and

BE IT FURTHER RESOLVED, the City Council of the City of Grand Rapids names the fiscal agent for the City of Grand Rapids for this project as:

Shirley Miller  
Director of Finance/Treasurer  
City of Grand Rapids  
420 North Pokegama Avenue  
Grand Rapids, MN 55744

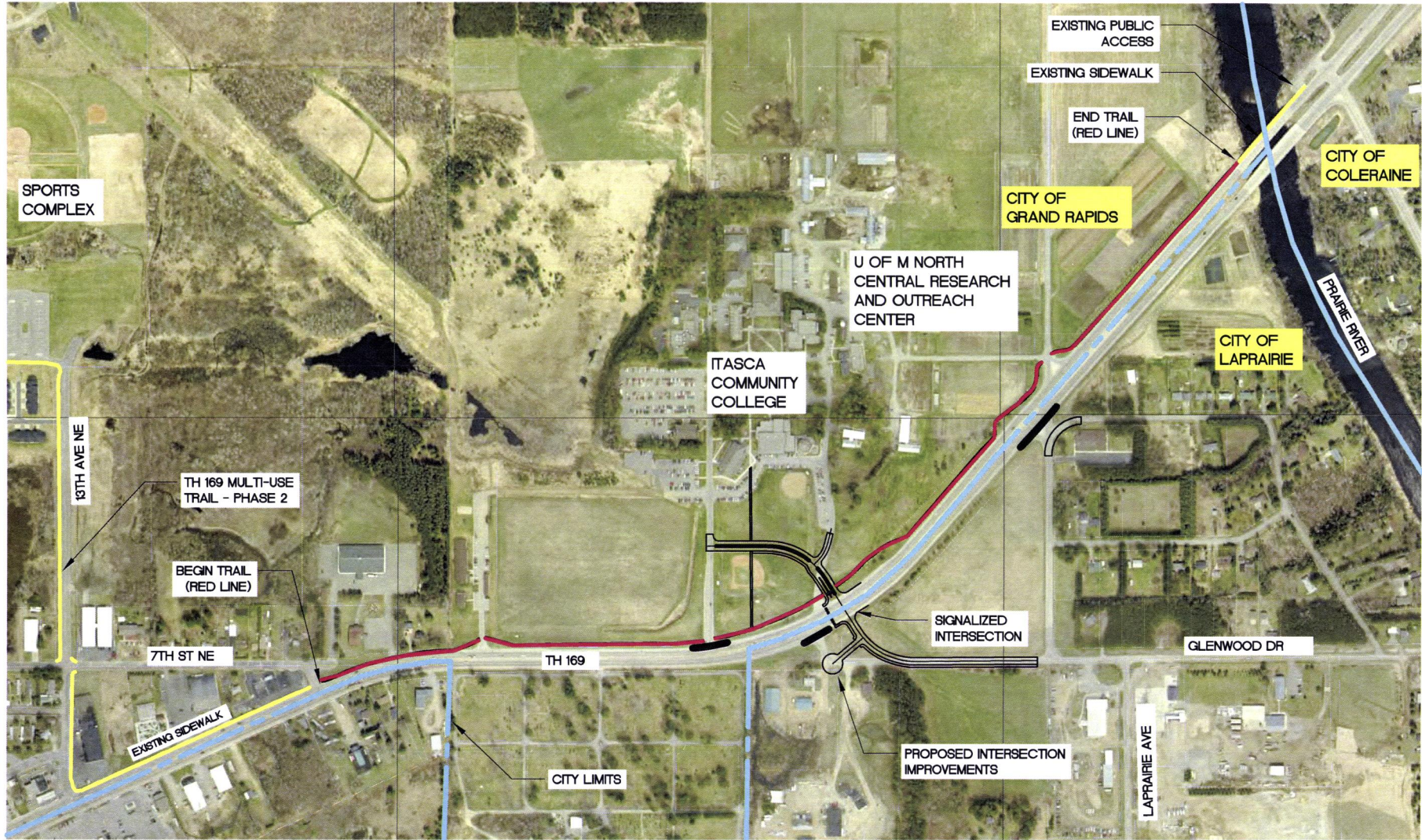
BE IT FURTHER RESOLVED, the City of Grand Rapids hereby assures the TH 169 Multi-Use Trail, Phase 3 Trail will be maintained for a period of no less than 20 years.

PASSED AND ADOPTED BY THE CITY COUNCIL OF THE CITY OF GRAND RAPIDS  
THIS 10<sup>TH</sup> DAY OF SEPTEMBER, 2012.

\_\_\_\_\_  
DALE ADAMS - MAYOR

ATTEST:

\_\_\_\_\_  
KIMBERLY JOHNSON-GIBEAU - CITY CLERK/TREASERURE



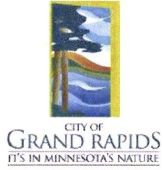

 PHONE: 218.322.4500  
 21 NE 5TH STREET, SUITE 200  
 GRAND RAPIDS, MN 55744  
 www.sehinc.com

FILE NO.  
 ITACC 116514  
 DATE:  
 9/26/11

**TH 169 MULTI-USE TRAIL  
 PHASE 3 - MAP (C.P. 2012-7)  
 GRAND RAPIDS, MINNESOTA**

**EXHIBIT  
 NO. 1**





# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0592      **Version:** 1      **Name:** MacRostie Art Center request for Temporary Liquor License for October 5, 2012, November 2, 2012 and December 7, 2012.

**Type:** Agenda Item      **Status:** Consent Agenda

**File created:** 9/7/2012      **In control:** Administration

**On agenda:** 9/10/2012      **Final action:**

**Title:** MacRostie Art Center request for Temporary Liquor License for October 5, 2012, November 2, 2012 and December 7, 2012.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [MacRostie Art Center](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

### Title

MacRostie Art Center request for Temporary Liquor License for October 5, 2012, November 2, 2012 and December 7, 2012.

*Body*

### **Background Information:**

The MacRostie Art Center has submitted an application for a temporary liquor license for events to be held on Friday, October 5, 2012, Friday, November 2, 2012, and Friday, December 7, 2012. This application is part of the First Fridays events held the first Friday of every month.

### **Requested City Council Action**

Consider approving the application by MacRostie Art Center for a temporary liquor license for events to be held on October 5, 2012, November 2, 2012, and December 7, 2012 at the MacRostie Art Center.



Minnesota Department of Public Safety  
**ALCOHOL AND GAMBLING ENFORCEMENT DIVISION**  
 444 Cedar Street Suite 222, St. Paul MN 55101-5133  
 (651) 201-7507 Fax (651) 297-5259 TTY (651) 282-6555  
 WWW.DPS.STATE.MN.US



APPLICATION AND PERMIT  
 FOR A 1 TO 4 DAY TEMPORARY ON-SALE LIQUOR LICENSE

TYPE OR PRINT INFORMATION

NAME OF ORGANIZATION <i>MacRostie Art Center</i>	DATE ORGANIZED <i>1970</i>	TAX EXEMPT NUMBER <i>23-7105948</i>	
STREET ADDRESS <i>405 NW 1st Avenue</i>	CITY <i>Grand Rapids</i>	STATE <i>MN</i>	ZIP CODE <i>55744</i>
NAME OF PERSON MAKING APPLICATION <i>Katie Marshall</i>	BUSINESS PHONE <i>(218) 326-2097</i>	HOME PHONE <i>(218) 326-2046</i>	
DATES LIQUOR WILL BE SOLD <i>10/5/2012 - 12/12/2012</i>	TYPE OF ORGANIZATION <input type="checkbox"/> CLUB <input type="checkbox"/> CHARITABLE <input type="checkbox"/> RELIGIOUS <input checked="" type="checkbox"/> OTHER NONPROFIT		
ORGANIZATION OFFICER'S NAME <i>Michelle Carlson</i>	ADDRESS <i>20236 Crystal Springs Loop Grand Rapids, MN 55744</i>		
ORGANIZATION OFFICER'S NAME <i>Shirley Miller</i>	ADDRESS <i>18997 Co Rd 12 Permyilly, MN 55775</i>		
ORGANIZATION OFFICER'S NAME <i>Katherine Sedore</i>	ADDRESS <i>1104 NW 3rd Avenue Grand Rapids, MN 55744</i>		
Location license will be used. If an outdoor area, describe			
<i>In gallery at MacRostie Art Center, 405 NW 1st Avenue, Grand Rapids, MN 55744</i>			
Will the applicant contract for intoxicating liquor service? If so, give the name and address of the liquor licensee providing the service.			
<i>NO</i>			
Will the applicant carry liquor liability insurance? If so, please provide the carrier's name and amount of coverage.			
<i>YES - coverage under current insurance policy with United Fire Group - General Liability \$1,000,000</i>			
<b>APPROVAL</b>			
<b>APPLICATION MUST BE APPROVED BY CITY OR COUNTY BEFORE SUBMITTING TO ALCOHOL &amp; GAMBLING ENFORCEMENT</b>			
CITY/COUNTY <i>Grand Rapids</i>		DATE APPROVED _____	
CITY FEE AMOUNT _____		LICENSE DATES _____	
DATE FEE PAID _____		_____	
SIGNATURE CITY CLERK OR COUNTY OFFICIAL _____		APPROVED DIRECTOR ALCOHOL AND GAMBLING ENFORCEMENT _____	

NOTE: Submit this form to the city or county 30 days prior to event. Forward application signed by city and/or county to the address above. If the application is approved the Alcohol and Gambling Enforcement Division will return this application to be used as the License for the event

**UNITED FIRE & CASUALTY COMPANY**  
 PO Box 73909, Cedar Rapids, IA 52407

**POLICY NUMBER: 60392970**

ACCOUNT NUMBER: 3000186336 (2) **COMMERCIAL GENERAL LIABILITY**  
**COMMERCIAL GENERAL LIABILITY COVERAGE PART**  
 DIRECT BILL -

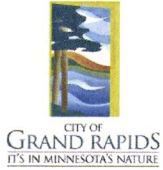
ISSUE DATE 03-12-2012 TRI REPLACEMENT OF 0105 60392970		DECLARATIONS RENEWAL EXTENSION																																	
NAMED MACROSTIE ART CENTER INSURED AND MAILING 405 NW 1ST AVE ADDRESS GRAND RAPIDS MN 55744-2617		AGENCY & CODE 220014 GREATER INS SERVICE 407 S POKEGAMA AVENUE GRAND RAPIDS MN 55744																																	
POLICY 12:01 A.M. Standard time FROM: 04-15-2012 TO: 04-15-2013 PERIOD: at your mailing address shown above. And for successive policy periods as stated below.																																			
We will provide the insurance described in this policy in return for the premium and compliance with all applicable policy provisions. If we elect to continue this insurance, we will renew this policy if you pay the required renewal premium for each successive policy period, subject to our premiums, rules and forms then in effect. You must pay us prior to the end of the current policy period or else this policy will terminate after any statutorily required notices are mailed to you. An insufficient funds check is not considered payment.																																			
<b>LIMITS OF INSURANCE</b>																																			
GENERAL AGGREGATE LIMIT (Other than Products-Completed Operations)	\$	2,000,000																																	
PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT	\$	2,000,000																																	
PERSONAL AND ADVERTISING INJURY LIMIT (Any one person or organization)	\$	1,000,000																																	
EACH OCCURRENCE LIMIT	\$	1,000,000																																	
DAMAGE TO PREMISES RENTED TO YOU LIMIT (Any one premises)	\$	100,000																																	
MEDICAL EXPENSE LIMIT (Any one person)	\$	5,000																																	
<b>RETROACTIVE DATE</b> (CG 00 02 Only) Coverage A of this insurance does not apply to "bodily injury" or "property damage" which occurs before the Retroactive Date, if any, shown here. (enter date or "None" if no Retroactive Date applies) NONE																																			
<b>BUSINESS DESCRIPTION</b> ART CENTER <b>FORM OF BUSINESS:</b> ___ Individual ___ Joint Venture ___ Partnership <input checked="" type="checkbox"/> Corporation ___ Other ___																																			
<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2">Classifications and Locations of All Premises You Own, Rent or Occupy</th> <th rowspan="2">Codes</th> <th rowspan="2">Premium Basis</th> <th colspan="2">Rates</th> <th colspan="2">Advance Premiums</th> </tr> <tr> <th>Pr/CO</th> <th>All Other</th> <th>Pr/CO</th> <th>All Other</th> </tr> </thead> <tbody> <tr> <td>MN LOC# 01 405 NW 1ST AVE GRAND RAPIDS, MN 55744</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>ART GALLERIES NON-PROFIT</td> <td>10066S)</td> <td>165,332</td> <td>0.117</td> <td>0.345</td> <td>19</td> <td>161MP</td> </tr> <tr> <td>HIRED AUTO AND NON-OWNED LIABILITY</td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>120</td> </tr> </tbody> </table>				Classifications and Locations of All Premises You Own, Rent or Occupy	Codes	Premium Basis	Rates		Advance Premiums		Pr/CO	All Other	Pr/CO	All Other	MN LOC# 01 405 NW 1ST AVE GRAND RAPIDS, MN 55744							ART GALLERIES NON-PROFIT	10066S)	165,332	0.117	0.345	19	161MP	HIRED AUTO AND NON-OWNED LIABILITY						120
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PREMIUM BASIS DEFINITIONS	a) Area per 1000 sq ft	c) Total Cost per \$1000	g) Gallons per 1000		m) Admissions per 1000	p) Payroll per \$1000	s) Gross Sales per \$1000	t) Defined Above	u) Units per unit																										
	Premium Charge Forms		Advance Premium		Premium Charge Forms		Advance Premium																												
		SEE UW7002																																	
Other Forms SEE UW7002																																			
Amend Reason																																			
PREMIUM FOR THIS COVERAGE PART \$ 300 MP Endorsement Adjustment Premium \$																																			
This Declarations Page supersedes and replaces any preceding declarations page bearing the same policy number for this policy period.		X (COUNTERSIGNED BY AUTHORIZED REPRESENTATIVE)																																	

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# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

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**File #:** 12-0593      **Version:** 1      **Name:** Appointments to Boards and Commissions.  
**Type:** Agenda Item      **Status:** Consent Agenda  
**File created:** 9/7/2012      **In control:** Administration  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Appointments to Boards and Commissions.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:**

Date	Ver.	Action By	Action	Result
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**Title**

Appointments to Boards and Commissions.

**Body**

**Background Information:**

The Human Rights Commission and the Housing and Redevelopment Authority currently have one vacancy each.

By Minnesota Statute, Appendix C: the Mayor and Council discuss candidates for Board and Commission appointments and through a nominating and voting process determine who the appointees will be for certain Commissions or Boards, including the Human Rights Commission. We currently have one applicant, Karen Noyce, for your consideration.

By Minnesota Statute, Appendix D: authorizes the Mayor to appoint and the Council to approve membership on various Boards and Commissions created by the Mayor and Council, including the Housing and Redevelopment Authority. We currently have one applicant, Jackie Dowell, for your consideration.

**Requested City Council Action**

Consider appointing Karen Noyce to fill an unexpired term to the Human Rights Commission, term to expire March 1, 2013, as recommended by the Human Rights Commission and consider appointing Jackie Dowell to the Housing & Redevelopment Authority with a term to expire March 1, 2016.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0578      **Version:** 1      **Name:** Department Head Report  
**Type:** Agenda Item      **Status:** Department Head Report  
**File created:** 9/5/2012      **In control:** Police  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Department Head Report

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Microsoft PowerPoint - Grand Rapids Police Department six month report 2012](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Department Head Report-Police

### *Body*

#### **Background Information:**

Each year the Chief of Police is asked by the City Council to present an update on activities with in the Police Department. Attached in PDF format is a power point that will be presented during the council meeting. This presentation will consist of statistical data of the police department's activities from January 1, 2012 to August 1, 2012. Also presented will be photographs of the department's involvement in many community events.

#### **Requested City Council Action**

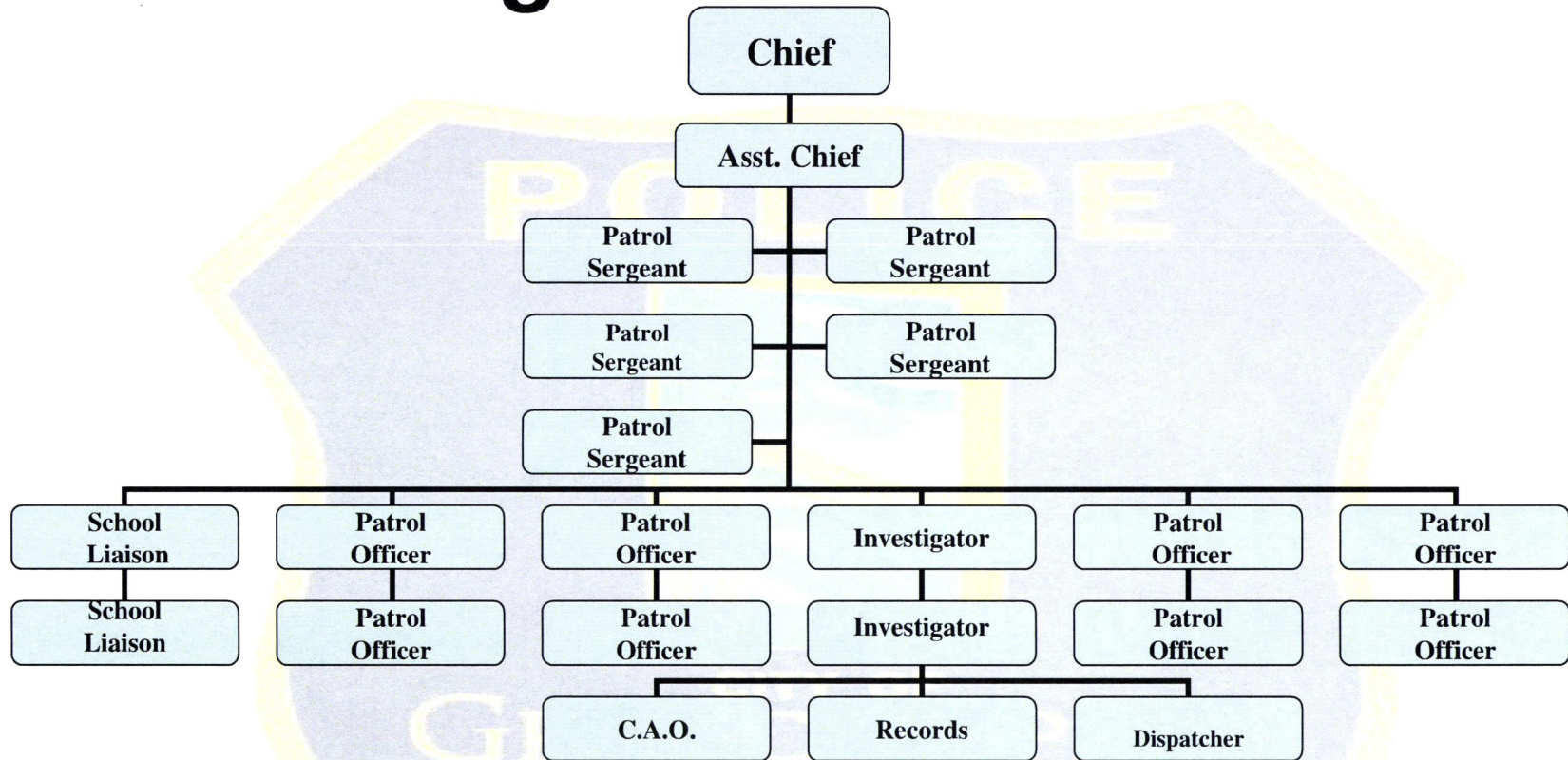
Please consider accepting the Department Head Report for the Grand Rapids Police Department

# Department Head Report Police Department



*Help Us Help You*

# Organization Chart



**22 Full-time Employees**

**19 Officers – Including Chief and Asst. Chief**

**1 Dispatcher**

**1 Community Assistance Officer**

**1 Records Personnel**

# New Officer In 2012



**Officer Ashley Moran**



# Calls for Service Breakdown January 1<sup>st</sup> to August 1<sup>st</sup>

	Calls for Service	Number of Sworn Officers	Calls Per Officer to Date	Calls Per Day
GRPD 2010	7,295	18	405 (608)	34
GRPD 2011	8,465	17 (Officer Out)	498 (705)	40
GRPD 2012	8,935	18	496 (744)	42

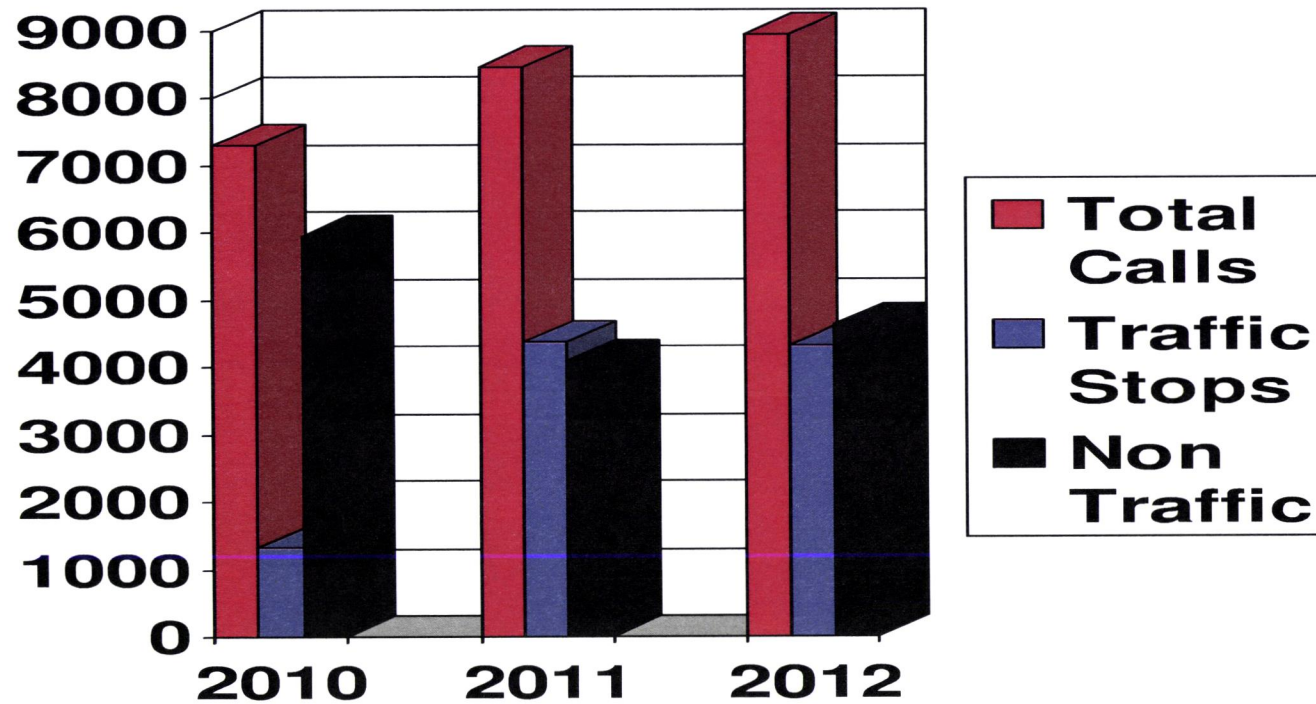
GRPD has seen a 5.5% increase in call volume over the past year



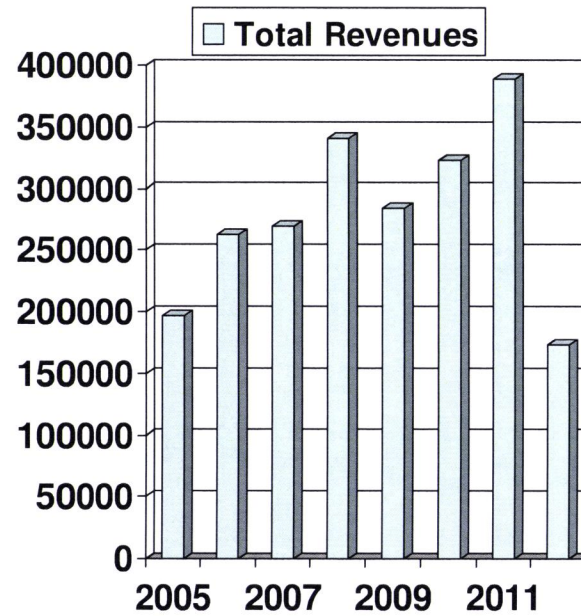
## Statistical Data

Type of Call	2010 Jan to Aug	2011 Jan to Aug	2012 Jan to Aug
Total Traffic Stops	1,331	4,363	4,322
Traffic Citations (Not Reflected in Total)	520	1,686	1,734
Sexual Assaults	20	26	36
Robbery	1	0	0
Assaults	37	68	100
Burglary	20	18	22
Auto Theft	4	11	13
Forgery/Counterfeiting	29	37	19
Thefts	107	219	269
Vandalism	99	85	37
Narcotics	44	56	101
DWI	64	69	57
Disorderly Conduct	43	46	97
<b>Total</b>	<b>1,799</b>	<b>4,998</b>	<b>5,073</b>

# What Do these Numbers Mean?

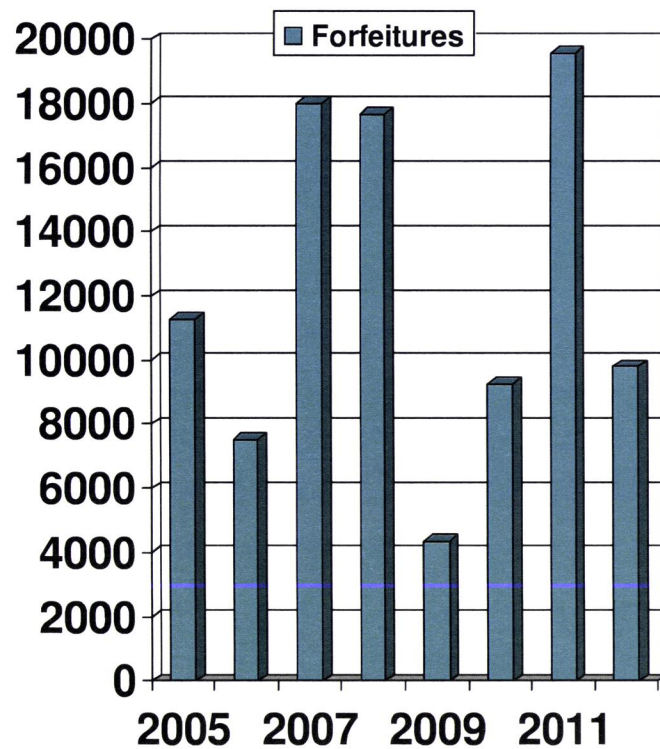


# Revenues



**The total revenues from January 1, 2012 to August 1, 2012 is  
\$172,920**

# Forfeitures



**From January 1, 2012 through August 1, 2012 \$9,806 has been seized through Administrative Forfeitures**

# Speed Sign

## 7<sup>th</sup> Ave SE (Airport RD) Southbound

<b>Total Days</b>	<b>6</b>
<b>Speed Limit</b>	<b>30</b>
<b>Average Speed</b>	<b>28.18</b>
<b>Maximum Speed</b>	<b>52</b>
<b>Minimum Speed</b>	<b>5</b>
<b>Average Volume per Day</b>	<b>4,424</b>
<b>Total Volume</b>	<b>25,877</b>

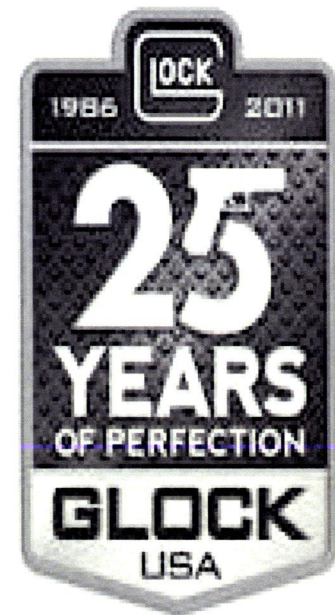


## Golf Course RD Westbound

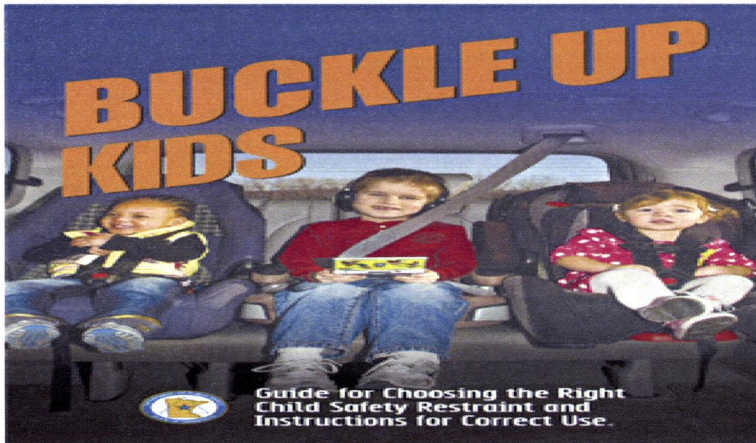
<b>Total Days</b>	<b>3</b>
<b>Speed Limit</b>	<b>30</b>
<b>Average Speed</b>	<b>27.89</b>
<b>Maximum Speed</b>	<b>51</b>
<b>Minimum Speed</b>	<b>5</b>
<b>Average Volume per Day</b>	<b>3,646</b>
<b>Total Volume</b>	<b>9,206</b>



# Team GLOCK



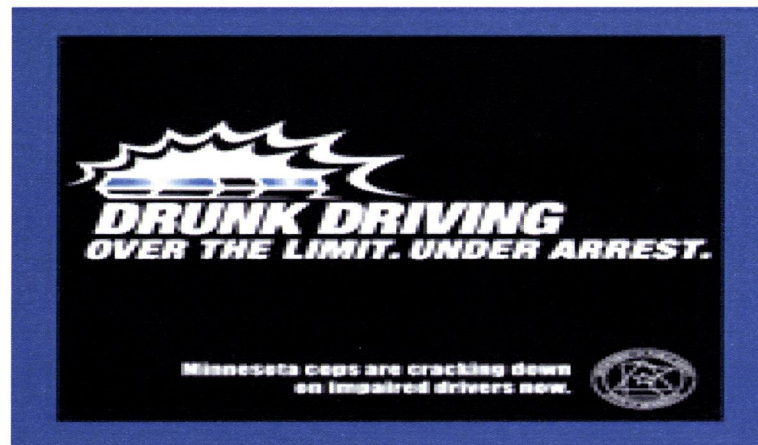
# Grants



**Twenty Car Seat Donation**



**\$10,000 Night Cap**



**\$38,000.00 For Impaired Driving Enforcement**



# TZD Hat-Trick



# Public Education

	2011 Jan to Aug	2012 Jan to Aug
Child Safety Seat Checks	14	26
Safety Demonstrations	16	11
Crime Prevention	14	7
Community Meetings	13	4
<b>Total</b>	<b>57</b>	<b>48</b>



# Community Involvement

- Dare Fundraiser/Twins Game
- Citizens Academy
- Children's First Expo
- Post Prom
- Forest Lake Elementary Fun Day
- A-1 Driving Seminars
- YMCA Wee-folks Presentation
- Nashwauk 4<sup>th</sup> of July
- Car Club Swap Meet
- Special Olympics Torch Run
- National Night Out
- Tall Timber Days



# Questions?





# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0524      **Version:** 1      **Name:** Appointment of Travis Cole to the position of Building Official.  
**Type:** Agenda Item      **Status:** Community Development  
**File created:** 8/22/2012      **In control:** Administration  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Appointment of Travis Cole to the position of Building Official.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:**

Date	Ver.	Action By	Action	Result
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*Title*

Appointment of Travis Cole to the position of Building Official.

*Body*

**Background Information:**

The Building Official position has been vacant since February 11, 2012. Travis Cole, Building/Fire Inspector has been working in the capacity of Interim Building Official since April 23, 2012 at a rate of \$52,661.86 per year. A Search Committee consisting of Joe Chandler, Gary McInerney, Shawn Gillen, Rob Mattei, Tom Pagel, and Lynn DeGrio met and discussed the options for filling the Building Official position.

Travis was hired as Building/Fire Inspector on June 16, 2008. On April 27, 2009 Travis worked in the capacity of Interim Building Official until a new Building Official was hired on October 13, 2009.

Since being hired, Travis has received the following certifications/training/recognition:

- Minnesota Limited Building Official Certification
- Minnesota State Fire Marshal Training
- Fire Inspector 1
- NFPA 1001 Fire Fighter I
- NFPA 472 Awareness Level
- Residential Building Inspector
- Building Official
- Basic Fire Alarm Systems & Changes in 2007 & 2010 Editions of NFPA 72 - 15 hrs.
- Fire Alarm System Plan Review - 8 hrs.
- Changes to NFPA 13, 13D, & 13R (2002 to 2007 to 2010 editions) - 15 hours
- Fire Inspector II
- Chief's Meritorious Service Award for outstanding contribution to the GRFD

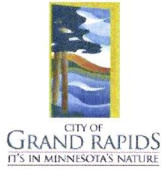
**Staff Recommendation:**

The Search Committee feels that Travis is qualified for the position of Building Official and has offered the position to him subject to City Council approval. We are recommending a starting salary of \$56,949.03 (Step 3) with an End of

Introductory Period Review increase of 4% subject to a satisfactory performance evaluation. Travis will also be eligible for any cost of living increase effective in 2013.

**Requested City Council Action**

Consider the appointment of Travis Cole to the position of Building Official at a starting salary of \$56,949.03 effective September 11, 2012 and authorize City staff to begin the process of filling the Building/Fire Inspector vacancy.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0577      **Version:** 1      **Name:** Adopt 2012 proposed levy/collectible in 2013 and set hearing date  
**Type:** Agenda Item      **Status:** Finance  
**File created:** 9/5/2012      **In control:** Finance  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider approving a resolution adopting the 2012 proposed levy/collectible in 2012 and setting December 10, 2012 at 6 p.m. to discuss the proposed budget, levy and allow for public comment and December 17, 2012 for the subsequent meeting to adopt the final levy and budget.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [2012 Preliminary Levy and Tax Rate.pdf](#)  
[Recap Rev, Expenditures & Levy.pdf](#)  
[Resolution-Adopt Preliminary Levy 091012](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Consider approving a resolution adopting the 2012 proposed levy/collectible in 2012 and setting December 10, 2012 at 6 p.m. to discuss the proposed budget, levy and allow for public comment and December 17, 2012 for the subsequent meeting to adopt the final levy and budget.

### *Body*

#### **Background Information:**

Attached are two spreadsheets:

- \*2013 Recap of Proposed Revenues, Expenditures, and Levy Requirements
- \*Previously Certified Levies and 2012 Proposed Levy Payable in 2013

On the Previously Certified Levies and the 2012 Proposed Levy, you will see:

- \*The General Fund levy increased by \$266,000 from the 2011 levy. This includes \$65,300 for capital purchases, \$50,000 for tax capacity contingency, \$75,000 for fund balance payback, and \$75,700 for departmental increases due to wages and other increased costs.
- \*The Library levy increased by \$50,000. The Library has been using its fund balance to support operating costs over the last three years and no longer has the fund balance to do that.
- \*The Cemetery levy decreased by \$16,000.
- \*The Grand Rapids Economic Development levy increased by \$25,000.
- \*The Debt levy increased by \$196,000 due to infrastructure projects.

We do not have any of the tax capacity numbers from Itasca County yet, but we did make some adjustments in those numbers based on discussions with the County. However, we do have the fiscal disparity numbers and the City's tax capacity contribution into the pool increased a little, however, the distribution **from** the pool increased by \$234,924 which is a direct reduction to the City's levy. So even though the overall proposed levy increased by \$528,000 or 9.92%, the preliminary projections show the tax rate increasing approximately 1.55%. The final levy adopted by the Council in December can be less than the preliminary levy, but it cannot be more. The Council will continue to work on the budget until its adoption in December.

Cities are no longer required to hold a Truth in Taxation hearing, but they are required to hold a single meeting to discuss

the budget and levy and at which time the public is allowed to speak. This meeting may be part of a regular scheduled meeting but must be held after 6 p.m. When the City calendar was established in January, it was determined that the date for the hearing would be December 10, 2012, with the subsequent meeting to adopt the budget and levy would be December 17, 2012. The time and dates will be on the parcel specific notices sent out by Itasca County, so they cannot be changed once certified to the County.

**Requested City Council Action**

Consider approving a resolution adopting the 2012 proposed levy/collectible in 2012 and setting December 10, 2012 at 6 p.m. to discuss the proposed budget, levy and allow for public comment and December 17, 2012 for the subsequent meeting to adopt the final levy and budget.



**PROJECTED LEVY & TAX RATE  
CITY OF GRAND RAPIDS  
PREVIOUSLY CERTIFIED LEVIES AND 2012 PROPOSED LEVY**

	2008 Levy Payable 2009	2009 Levy Payable 2010	2010 Levy Payable 2011	2011 Levy Payable 2012	2012 Levy Payable 2013	
General Fund	3,388,239	3,202,531	3,466,821	3,309,756	3,576,248	8.05%
Library Fund	577,376	519,716	534,716	524,716	575,038	9.59%
Cemetery	-	-	175,000	175,000	159,000	-9.14%
GREDA Levy	45,000	45,000	50,000	50,000	75,000	50.00%
Levy for Internal Loan-2011 Eq	-	-	-	136,000	141,588	
Special Levies	8,000	8,000	8,000	-	-	
Bonded Indebtedness	824,333	1,151,272	\$1,093,789	1,127,071	1,323,800	17.45%
<b>GROSS LEVY</b>	<b>4,842,948</b>	<b>4,926,519</b>	<b>5,328,326</b>	<b>5,322,543</b>	<b>5,850,674</b>	9.92%
Less:						
Fund Balance Contribution	-	-	-	-	-	
<b>CERTIFIED LEVY</b>	<b>\$4,842,948</b>	<b>\$4,926,519</b>	<b>\$5,328,326</b>	<b>5,322,543</b>	<b>5,850,674</b>	
		1.73%	8.16%	-0.11%	9.92%	

**2011 ESTIMATED TAX CAPACITY AND PROPOSED LEVY**

TAX CAPACITY	\$8,560,033		CERTIFIED LEVY	\$5,850,674
Less:			Less:	
JOBZ	(7,876)	Area 5	Fiscal disparities distribution levy	(683,460)
TIF Captured tax increment	(130,251)			
Fiscal Disparities contribution	(1,148,229)		Net amount levied to property owners	<b>\$5,167,214</b>
<b>Taxable tax capacity*</b>	<b>\$7,273,677</b>			

updated with 2013 fiscal disparity numbers 08/23/2012

**2002 - 2010 TAXABLE TAX CAPACITY, CERTIFIED LEVY and CITY TAX RATE  
and 2011 ESTIMATED TAXABLE TAX CAPACITY  
and 2011 ESTIMATED LEVY and CITY TAX RATE**

TAX YEAR PAYABLE	TAXABLE TAX CAPACITY	NET CERTIFIED LEVY	CITY TAX RATE	CITY/TOWNSHIP TAX RATE	TOTAL TAX RATE
2002	\$ 4,013,622	\$ 3,221,066	80.169	2.696	82.865
2003	4,667,797	3,487,514	76.387	5.031	81.418
2004	4,883,098	3,774,982	79.273	4.625	83.898
2005	5,402,830	3,868,947	71.339	4.603	75.942
2006	5,692,534	3,977,337	69.869	4.452	74.321
2007	6,224,893	4,091,108	65.722	2.972	68.694
2008	6,851,971	4,503,251	65.722	3.834	69.556
2009	7,919,927	4,677,712	59.063	1.841	60.904
2010	7,115,267	4,631,705	65.095	1.271	66.366
2011	7,647,353	4,885,894	61.602	2.288	63.890
2012	7,014,456	4,874,006	67.218	2.267	69.485
2013	\$7,273,677	\$5,167,214	68.854	2.186	71.040

Reduced City 2012 tax capacity by \$220,000 and Area 5 tax capacity of \$580,000 by \$20,000

**CITY OF GRAND RAPIDS**  
**2013 RECAP OF REVENUES, EXPENDITURES AND LEVY REQUIREMENTS**

	2009 Actual	2010 Actual	2011 Actual	2012 Budget	2013 Proposed	Increase/ (Decrease) over 2012	Percent Increase
<b>NON TAX REVENUES:</b>							
Annexation	\$ 210,425	\$ 270,381	\$ 326,175	\$ 250,000	\$ 275,000	\$ 25,000	10.00%
Payment in Lieu of Taxes (PILOT)	854,072	853,542	854,710	855,000	900,000	45,000	5.26%
Licenses and Permits	270,376	254,002	225,828	268,250	247,275	(20,975)	-7.82%
Local Government Aid (LGA)	1,280,888	963,410	963,410	963,000	963,000	-	0.00%
Intergovernmental Revenues	412,304	782,091	801,380	481,420	530,648	49,228	10.23%
Charges for Services	636,168	653,822	696,372	745,550	706,654	(38,896)	-5.22%
Fines and Forfeitures	129,839	101,829	108,983	117,000	105,500	(11,500)	-9.83%
Interest Income	47,987	23,498	20,342	25,000	28,829	3,829	15.32%
Miscellaneous	22,643	35,384	38,482	17,380	13,550	(3,830)	-22.04%
Other Financing Sources	86,675	589,605	91,711	29,322	19,351	(9,971)	-34.01%
Transfers In	3,500	3,500	3,500	3,500	3,500	-	0.00%
<b>Total non-tax revenues</b>	<b>3,954,877</b>	<b>4,531,066</b>	<b>4,130,893</b>	<b>3,755,422</b>	<b>3,793,307</b>	<b>37,885</b>	<b>-8.17%</b>
<b>EXPENDITURES:</b>							
Administration	445,868	443,132	461,742	463,065	448,422	(14,643)	-3.16%
Building Maintenance	200,145	202,320	220,709	228,297	213,800	(14,497)	-6.35%
Community Development	306,006	350,024	344,944	333,541	342,104	8,563	2.57%
Council/Boards	116,490	113,392	114,738	112,533	115,086	2,553	2.27%
Engineering	340,682	261,348	290,629	264,236	298,182	33,946	12.85%
Finance	447,447	368,823	391,332	395,052	403,820	8,768	2.22%
Fire	597,527	546,722	603,124	595,590	580,539	(15,051)	-2.53%
Fleet Maintenance	480,582	592,303	233,869	210,266	240,690	30,424	14.47%
Information Technology	170,617	158,077	176,837	172,043	188,782	16,739	9.73%
Police	2,093,945	1,904,374	1,905,091	2,009,733	2,080,635	70,902	3.53%
Public Works	1,654,774	1,622,751	1,564,901	1,447,470	1,438,741	(8,729)	-0.60%
Recreation	162,496	166,154	152,183	172,830	171,881	(949)	-0.55%
City Wide	-	-	348,323	396,322	396,972	650	0.16%
Special Projects-Council	13,713	-	-	-	-	-	-
Special Projects-Non-Budgeted	8,407	123,902	6,485	-	-	-	-
Airport Joint Zoning Board	-	-	-	-	-	-	-
<b>Total Department Expenditures</b>	<b>7,038,699</b>	<b>6,853,322</b>	<b>6,814,906</b>	<b>6,800,978</b>	<b>6,919,655</b>	<b>118,677</b>	<b>1.74%</b>
<b>Transfers Out</b>							
Transfer to Capital Equipment	100,000	60,000	-	18,200	83,500	65,300	358.79%
Transfer to Civic Center	27,335	-	12,000	27,000	27,000	-	-
Transfer to Itasca Historical Soc	12,000	12,000	17,000	17,000	17,000	-	0.00%
Transfer to Debt Service	150,000	190,000	150,000	150,000	150,000	-	-
Transfer to Airport	91,550	20,000	10,000	10,000	10,000	-	0.00%
Transfer to Golf Course	175,000	175,000	-	-	-	-	-
Transfer to DACF	42,000	40,000	20,000	27,000	22,400	(4,600)	-
Transfers-Other	97,497	87,007	156,449	-	-	-	-
Transfer to Street Light Utility Fund	161,195	-	-	-	-	-	-
Mt. Itasca contribution	-	-	15,000	15,000	15,000	-	-
Tax Capacity Contingency	-	-	-	-	50,000	50,000	-
Fund Balance Payback	-	-	-	-	75,000	75,000	-
<b>Total Expenditures and Other Uses</b>	<b>7,895,276</b>	<b>7,437,329</b>	<b>7,180,355</b>	<b>7,065,178</b>	<b>7,369,555</b>	<b>304,377</b>	<b>2.63%</b>
<b>Net Levy Required for General Fund</b>	<b>3,388,239</b>	<b>3,202,531</b>	<b>3,466,821</b>	<b>3,309,756</b>	<b>3,576,248</b>	<b>266,493</b>	<b>8.05%</b>
Net Levy for Library	577,376	534,716	534,716	524,716	575,038	50,322	9.59%
Net Levy for Cemetery	-	-	175,000	175,000	159,000	(16,000)	-
GREDA Levy Request	45,000	50,000	50,000	50,000	75,000	25,000	50.00%
<b>Total Levy Required for Operations</b>	<b>\$ 4,010,615</b>	<b>\$ 3,787,247</b>	<b>\$ 4,226,537</b>	<b>\$ 4,059,472</b>	<b>\$ 4,385,286</b>	<b>\$ 325,814</b>	<b>8.03%</b>

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

RESOLUTION NO. 12-

A RESOLUTION ADOPTING THE PROPOSED 2012 LEVIES PAYABLE IN 2013 AND THE PROPOSED 2013 OPERATING EXPENDITURE BUDGET

WHEREAS, as a result of legislation passed in the 2009 Legislative session, the requirement to hold a special Truth in Taxation public hearing, continuation hearing, and levy adoption hearing have been repealed, and

WHEREAS, cities are still required to hold a single meeting to discuss the budget and levy and at which time the public is allowed to speak, and

WHEREAS, this meeting may be part of a regularly scheduled meeting, but must occur between the dates of November 27, 2012 and December 26, 2012 and be held after 6:00 PM and the public must be allowed to speak, and

WHEREAS, the City staff has been working with the City Council to set the 2013 proposed budget and this budget and levy were presented to the City Council on September 10, 2012,

NOW THEREFORE, BE IT RESOLVED, by the City Council of the City of Grand Rapids, Minnesota that it does establish a proposed operating expenditure budget for the year of 2013 of \$7,369,555, and

BE IT FURTHER RESOLVED, by the City Council of the City of Grand Rapids, Minnesota, that the initial levy for the City of Grand Rapids for 2012 taxes collectible 2013 be as follows:

General Fund	\$3,576,248
Regional Library Fund	575,038
Itasca Calvary Cemetery	159,000
Grand Rapids Economic Development Authority	75,000
Interfund Loan Repayment	141,588
2001B Improvement Bonds	12,743
2004 Improvement Bonds	111,112
2005A Improvement Bonds	51,089
2007A Improvement Bonds	117,311
2006C Improvement Bonds	26,776
2008B GO Reconstruction Bonds	77,465
2008C Improvement Bonds	73,401
CP2001-6 21 <sup>st</sup> St SE	31,908
CP2007-7 NE 9 <sup>th</sup> Avenue Special Levy	2,645
2009D Equipment Certificates	141,067
2009B Refunding Bonds	25,681
2009C Improvement Bonds	314,207
2010A Improvement Bonds	150,489
2010 Debt Study Reduction	(62,500)
2011 Improvement Bonds	54,378
2012 Improvement Bonds	<u>196,028</u>
TOTAL CERTIFIED TO COUNTY AUDITOR	<u>\$5,850,674</u>

BE IT FURTHER RESOLVED, by the City Council of the City of Grand Rapids, Minnesota, that the City certifies to the County Auditor the following dates:

- December 10, 2012 at 6:01 p.m. to discuss the proposed budget and levy and allow for public comment
- December 17, 2012 for the subsequent hearing for the adoption of the final levy and budgets

Adopted this 10<sup>th</sup> day of September, 2012.

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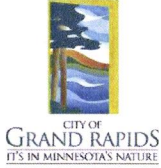
Dale Adams, Mayor

Attest:

---

Kim Johnson-Gibeau, City Clerk

Councilmember seconded the foregoing resolution and the following voted in favor thereof: ; and the following voted against same: None, whereby the resolution was declared duly passed and adopted.



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0581      **Version:** 1      **Name:** Township Hall funds committment  
**Type:** Agenda Item      **Status:** Passed  
**File created:** 9/5/2012      **In control:** Administration  
**On agenda:** 9/24/2012      **Final action:** 9/24/2012  
**Title:** Commit funds from sale of old Grand Rapids Township Hall to the Active Living Center Capital Campaign.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [Capital Consulting Contract \(2\) Aug 2012](#)  
[Itasca County Family YMCA Capital Timeline](#)

Date	Ver.	Action By	Action	Result
9/24/2012	1	City Council		

*Title*

Commit funds from sale of old Grand Rapids Township Hall to the Active Living Center Capital Campaign.

*Body*

The County Assessor has valued the Township Hall property at \$179,700.

**Requested City Council Action**

Approve commitment of any funds from the sale of the old Grand Rapids Township Hall to the Active Living Center Capital Campaign.



▼ **Board Engagement / Volunteer Coaching.** Throughout the engagement period, campaign counsel will provide ongoing support to staff and volunteers.

▼ **Campaign Plan**

Working with staff and volunteers, develop the campaign plan and timeline

▼ **Consulting / Coaching Days Activity**

**Year One (October 2012 – December 2012):**

6 days / Onsite & Offsite Support \$18,000

**Year Two (January 2013 – December 2013):**

15 days \$45,000

▼ **Campaign Materials**

\$5,000

Strategic direction of the case-for-support.  
This does not include printing or design expenses.

▼ **In-Depth Prospect Research (optional)**

In-depth prospect research for the identified Top 20 donors available at \$300 per prospect.

▼ **Foundation Proposal Development (optional)** Reviewed on a case-by-case basis, those requiring more than 3 hours of preparation will be invoiced at \$100 per hour or a project negotiated pricing structure.

**B. PAYMENTS FOR SERVICES**

It is mutually understood and agreed that in consideration of the performance of the services outlined above, the Itasca County Family YMCA agrees to pay to Donor by Design Group, LLC, set forth as follows:

**(1) Schedule of Payments**

\$2,500.00 will be due and invoiced at signing – this represents half of campaign material development.

The remaining will be invoiced to the Itasca County Family YMCA as services are delivered. Invoices will be generated on the first of the month beginning in October 2012 and due 30 days – net. Unpaid invoices over 30 days will be assessed a late fee of 5% per month.

**(2) Travel / Other Expenses**

The Itasca County Family YMCA will reimburse reasonable travel expenses (mileage @ .50 per mile, air travel, hotel, meals) and other related expenses (copying, postage etc.).

**C. TERMINATION**

Either Donor by Design Group, or the Itasca County Family YMCA may, at any time, with or without cause and at the discretion of either, postpone or cancel this agreement by notifying the other in writing with thirty (30) days notice of the scheduled dates for consultation. Upon receipt by Donor by Design Group of such notice, Donor by Design Group shall be compensated for all work performed, and expenses incurred, up to the date of termination.

Respectfully submitted by:  
Bruce L. Berglund CFRE  
  
\_\_\_\_\_  
For:  
**Donor by Design Group LLC**  
Date: August 21, 2012  
\_\_\_\_\_

Accepted by: (please print & sign name)  
\_\_\_\_\_  
For the:  
**Itasca County Family YMCA**  
Date:  
\_\_\_\_\_







# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

<b>File #:</b>	12-0589	<b>Version:</b>	1	<b>Name:</b>	
<b>Type:</b>	Public Hearing	<b>Status:</b>		Public Hearing	
<b>File created:</b>	9/6/2012	<b>In control:</b>		Community Development	
<b>On agenda:</b>	9/24/2012	<b>Final action:</b>			
<b>Title:</b>	Conduct a public hearing to consider granting an Economic Development Tax Abatement within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.				
<b>Sponsors:</b>					
<b>Indexes:</b>					
<b>Code sections:</b>					
<b>Attachments:</b>	<a href="#">Staff Review Worksheet.pdf</a> <a href="#">Springsted Abatement Analysis DC Manuf.pdf</a>				

Date	Ver.	Action By	Action	Result
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### *Title*

Conduct a public hearing to consider granting an Economic Development Tax Abatement within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.

### *Body*

#### **Background Information:**

Cutsforth Inc. filed an application for Tax Abatement business assistance, on August 14<sup>th</sup>. The application was forwarded to the City's financial consultant, Springsted Inc., and our bond attorney, Martha Ingram, for review and analysis.

In summary, the proposed development described in the application, involves the following:

1. Acquisition from GREDA an 8.3 acre portion of parcel 91-019-2203. Proposed purchase price \$83,000.
2. Construction of a 13,500 sf manufacturing facility for the expanded operation of DC Manufacturing. The estimated cost of building and site improvements is \$1.72M.
3. The addition of 6 full time positions over the next two years. The average hourly wage, excluding health care and other benefits, is \$18.78/hour.
4. An additional investment of \$250,000 in new and used equipment financed outside of the project.
5. Also leveraged by the proposed tax abatement, is a contribution by the IRRRB, including a grant of \$150,000 and a low interest bank participation loan of \$450,000.

As described within the Application and the Letter of Interest dated July 11th, the project would not be economically feasible without the financial support provided by Tax Abatement. In summary, the \$225,000 in requested Tax Abatement revenue is needed to support costs associated with:

1. Land acquisition, building construction, and increased ongoing operational costs.

As required under the TIF/Tax Abatement Business Subsidy Policy, staff has prepared the Business Assistance Review

Worksheet. The proposed development is consistent with a number of objectives set forth in the Policy, including the following:

1. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
2. To enhance and/or diversify the City's economic base.
3. To encourage additional unsubsidized private (re)development.

The proposed project involves a private investment the amount of \$1,492,000. This, together with the public investment, through Tax Abatement and IRRRB buy down of loan interest and a grant, totaling a public assistance amount of \$558,000, constitutes a ratio of private to public funds, at 3:1.

The Itasca County Board has been asked to consider participation in the requested abatement, which will be acted upon following a public hearing by the Board on September 11<sup>th</sup>. If the County approves their participation, the City portion of the abatement would be approximately \$188,717, including 3.0% interest over the estimated 15 year term. The County portion would be approximately \$129,556.

At their September 4<sup>th</sup> Special Meeting the Grand Rapids EDA reviewed the DC Manufacturing Tax Abatement Business Assistance request and forwarded a favorable recommendation for its approval.

**Requested City Council Action**

Conduct a public hearing to consider granting an Economic Development Tax Abatement within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.

DC MANUFACTURING  
 TAX ABATEMENT  
 STAFF REVIEW 9/4/12

**EXHIBIT B**  
**BUSINESS ASSISTANCE REVIEW WORKSHEET**  
**FOR COMMERCIAL/INDUSTRIAL PROJECTS**  
TO BE COMPLETED BY APPLICANT AND CITY STAFF

**A. The project meets which of the following objectives as set forth in Section C of the Business Assistance policy:**

- 1. To encourage redevelopment with the Central Business District.
- 2. To retain local jobs and/or increase the number and diversity of jobs that offer stable employment and/or attractive wages and benefits.
- 3. To enhance and/or diversify the City's economic base.
- 4. To encourage additional unsubsidized private (re)development.
- 5. To remove blight and/or encourage (re)development of commercial and industrial areas.
- 6. To create housing opportunities for senior and low to moderate income families.
- 7. To provide a diversity of housing adjacent to the Central Business District.
- 8. To provide a variety of family housing ownership alternatives and housing choices.
- 9. To promote neighborhood stabilization and revitalization by the removal of blight and the upgrading of existing housing stock in residential areas.
- 10. To accomplish other public policies which may be adopted such as the promotion of quality urban or architectural design, energy conservation, and decreasing capital and/or operating costs of local government.
  - Utilization of architectural and landscaping techniques that will enable the components of the project to blend with the natural environment.
  - Mitigation of project impact on the natural environment.

**B. Ratio of Private to Public Investment in Project:**

\$ <u>1,492,000</u>	Private Investment (EQUITY, BANK & SBA)	5:1	<u>5</u>
\$ <u>558,000</u>	Public Investment (IRRRB LOAN BUY DOWN & GRANT, ABATEMENT)	4:1	<u>4</u>
<u>2,050,000</u>	Ratio Private : Public Financing	3:1	<u>3</u>
		2:1	<u>2</u>
		Less than 2:1	<u>1</u>

2:67: 1

**C. Job Creation:**

<u>10</u>	Net new jobs (minimum 40 hours per week) w/ health insurance benefits	50+	<u>5</u>
		40+	<u>4</u>
		25+	<u>3</u>
		15+	<u>2</u>
		Less than 15	<u>1</u>

D. Wage Level of jobs created:

Average hourly wage  
Of new jobs #18.78  
*NOT INCLUDING BENEFITS*

<b>Points:</b>	
Over \$21/hour	<u>5</u>
\$18-21/hour	<u>4</u>
\$14-17/hour	<u>3</u>
\$10-13/hour	<u>2</u>
Under \$10/hour	<u>1</u>

E. Ratio Of Business Assistance To New Jobs Created:

\* \$ 225,000 Business assistance requested  
10 Number of net new jobs created  
\$ 22,500 of business assist. per net new job created

<b>Points:</b>	
\$8,000 or less	<u>5</u>
\$10,000 or less	<u>4</u>
\$12,000 or less	<u>3</u>
\$15,000 or less	<u>2</u>
Over \$15,000	<u>1</u>

*\* IF COUNTY PARTICIPATES IN THE ABATEMENT,  
CITY SHARE WOULD BE \$133,500 OF \$13,350/JOB*

F. Project size:

The project will result in the construction  
of 13,500 square feet

<b>Points:</b>	
75,000+	<u>5</u>
60,000+	<u>4</u>
30,000+	<u>3</u>
15,000+	<u>2</u>
15,000 or less	<u>1</u>

G. Type of Project:

X 100% Owner Occupied  
       Mix Owner Occupied & Investment  
       Investment Property

<b>Points:</b>	
<u>5</u>	
<u>3</u>	
<u>1</u>	

H. Likelihood that the project will result in unsubsidized, spin-off development:

X High *ROX FX WILL EXPAND*  
       Moderate  
       Low

<b>Points:</b>	
<u>5</u>	
<u>3</u>	
<u>1</u>	

I. Impact on tax rate? All things being equal, how much would the City's tax rate hypothetically increase if the project were to proceed with the requested business assistance?

.01%-.02%  
 .03%-.04%  
 .05%-.06%  
 .07%-.09%  
 .10%-.12%

<b>Points:</b>	
<u>5</u>	
<u>4</u>	
<u>3</u>	
<u>2</u>	
<u>1</u>	

Sub-Total Points 26 of a possible 40 points.

Bonus Points

The project will be 100% pay-as-you-go financing

Bonus Points:

<u>5</u>
----------

Total Points: 31

Overall project analysis:

High	31 - 45 points
Moderate	21 - 30 points
Low	11 - 20 points
Not Eligible	0 - 10 points



Springsted Incorporated  
380 Jackson Street, Suite 300  
Saint Paul, MN 55101-2887  
Tel: 651-223-3000  
Fax: 651-223-3002  
www.springsted.com

## MEMORANDUM

TO: Rob Mattei, Community Development Director, City of Grand Rapids  
Shirley Miller, Finance Director, City of Grand Rapids

FROM: Mikaela Huot, Vice President/Consultant, Springsted  
Julian Bradshaw, Analyst, Springsted

CC: Jeff Walker, Auditor/Treasurer, Itasca County  
Martha Ingram, Kennedy & Graven  
Paul Steinman, Vice President/Client Representative, Springsted

DATE: August 30, 2012

SUBJECT: City and County Tax Abatement Projections for proposed DC Manufacturing Project

The City has received an application for tax abatement financial assistance from Cutsforth Inc. dba DC Manufacturing for the construction of a proposed new project in the City of Grand Rapids. Springsted has previously provided preliminary tax abatement and tax increment revenue projections assuming City and County participation (with additional assumptions described further below). Based on initial projections and the amount of financial assistance requested by the business, city staff has decided to focus on tax abatement.

The developer has requested \$225,000 as a pay-as-you-go note in which the City would reimburse the business for certain costs associated with construction of the project. The purpose of this memo is to provide updated tax abatement revenue projections based on City and County participation to support the requested amount. County participation of tax abatement based on these projections is subject to any policy discussions and approval by the County board. Publication of public hearing notices for both the City and County has occurred in the Grand Rapids Herald Review on Wednesday, August 29 for public hearings to be held on Monday, September 10 and Tuesday, September 11, respectively, for the City and County. Additional assumptions and terms of the proposed Tax Abatement are outlined further below.

## Tax Abatement Assumptions

Springsted made certain assumptions to calculate the estimated amount of revenues generated by the proposed project. Those assumptions include the following:

- Abatement revenues based on total market value of land/building as provided by City
  - Estimated Total Market value of \$1,307,655
  - 13,400 sq ft new manufacturing facility
- Base values as provided by City of Grand Rapids
  - Estimated Base Value of \$101,325
- \$225,000 PayGO Request from business
  - Interest rate of 3% on note
- *Fiscal disparities contribution*
  - *Made from property within tax abatement project*
- Estimated abatement term
  - Up to 15 years based on published City and County hearing notices
- Construction commences and completed in 2013
  - 100% assessed in January of 2014 for taxes payable in 2015
  - Abatement levy certified fall of 2014 for collection 2015
- *Annual market value inflator*
  - 0%
- 2012 tax rates remain constant through term (Tax Rates Provided by Itasca County)
  - City : 69.4850%
  - County: 47.702%
  - ISD 318: 17.774%
  - Other: 0.228%
  - Total 135.189%
- 2012 class rates remain constant through tax abatement term
- Authorized maximum abatement amount
  - City: \$182,548
  - County: \$125,321



**Tax Abatement Revenue Estimates**

	<b>Tax Abatement Scenario</b>
Maximum Abatement Amount (as authorized pursuant to published hearing notices)	\$307,869
Annual Estimated Revenues (City and County Share)	\$21,218
<b>Term</b>	<b>15 years</b>
Estimated Total Revenues	\$318,273
Loan Principal Amount	\$225,000
<b>Loan Interest Rate</b>	<b>3%</b>
Loan Interest Amount	\$71,756
Total Loan Payment	\$296,756
Estimated Surplus Revenues (\$318,273 less \$296,756)	\$21,517

Thank you for the opportunity to be of assistance to the City of Grand Rapids. Please feel free to contact us with any questions or discussion at 651.223.3036 or [mhuot@springsted.com](mailto:mhuot@springsted.com) (Mikaela) and 651.223.3066 or [psteinman@springsted.com](mailto:psteinman@springsted.com) (Paul).

**Projected Tax Abatement Report**  
**City of Grand Rapids, Minnesota**  
**Tax Abatement - City and County Participation**  
**DC Manufacturing Economic Development Project**  
**Final Scenario: \$225,000 PayGO Note with 3% Interest Rate and 15 year term**  
**Includes Fiscal Disparities Cont., Project EMV of \$1,307,655 and 0% Annual MV Inflator**

Annual Period Ending (1)	Total Market Value (2)	Total Net Tax Capacity (3)	Less: Abated Net Tax Capacity (4)	Less: Fiscal Disp. @ 24.1883% (5)	Retained Captured Net Tax Capacity (6)	Times: Tax Capacity Rate ** (7)	Annual Total Tax (8)	City Abatement Revenues 69.49% (9)	County Abatement Revenues 47.70% (10)	School District Abatement Revenues 17.77% (11)	Total Tax Abatement (12)
12/31/12	101,325	1,520	1,520	0	0	135.189%	0	0	0	0	0
12/31/13	101,325	1,520	1,520	0	0	135.189%	0	0	0	0	0
12/31/14	101,325	1,520	1,520	0	0	135.189%	0	0	0	0	0
12/31/15	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/16	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/17	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/18	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/19	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/20	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/21	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/22	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/23	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/24	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/25	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/26	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/27	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/28	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
12/31/29	1,307,655	25,403	1,520	5,777	18,106	135.189%	24,478	12,581	8,637	0	21,218
							<b>\$367,170</b>	<b>\$188,717</b>	<b>\$129,556</b>	<b>\$0</b>	<b>\$318,273</b>

\*\* Estimated tax rate based on information provided by City and County

\* Estimated Maximum Abatement Amount pursuant to published notices:

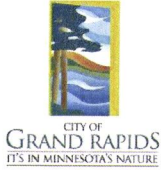
**\$182,548      \$125,321      \$307,869**

## Projected Pay-As-You-Go Note Report - Combined City and County

**City of Grand Rapids, Minnesota**  
**Tax Abatement - City and County Participation**  
**DC Manufacturing Economic Development Project**  
**Final Scenario: \$225,000 PayGO Note with 3% Interest Rate and 15 year term**

Note Date: 09/01/12  
 Note Rate: 3.00%  
 Amount: \$225,000

Date (1)	Principal (2)	Interest (3)	P & I (4)	Cumulative Interest Due (5)	Unpaid Accrued Interest (6)	Semi-Annual Net Revenue (7)	Loan Balance Outstanding (8)
							225,000.00
02/01/13	0.00	0.00	0.00	2,812.50	2,812.50	0.00	225,000.00
08/01/13	0.00	0.00	0.00	6,187.50	6,187.50	0.00	225,000.00
02/01/14	0.00	0.00	0.00	9,562.50	9,562.50	0.00	225,000.00
08/01/14	0.00	0.00	0.00	12,937.50	12,937.50	0.00	225,000.00
02/01/15	0.00	0.00	0.00	16,312.50	16,312.50	0.00	225,000.00
08/01/15	0.00	10,609.10	10,609.10	19,687.50	9,078.40	10,609.10	225,000.00
02/01/16	0.00	10,609.10	10,609.10	12,453.40	1,844.30	10,609.10	225,000.00
08/01/16	5,389.80	5,219.30	10,609.10	5,219.30	0.00	10,609.10	219,610.20
02/01/17	7,314.95	3,294.15	10,609.10	3,294.15	0.00	10,609.10	212,295.25
08/01/17	7,424.67	3,184.43	10,609.10	3,184.43	0.00	10,609.10	204,870.58
02/01/18	7,536.04	3,073.06	10,609.10	3,073.06	0.00	10,609.10	197,334.54
08/01/18	7,649.08	2,960.02	10,609.10	2,960.02	0.00	10,609.10	189,685.46
02/01/19	7,763.82	2,845.28	10,609.10	2,845.28	0.00	10,609.10	181,921.64
08/01/19	7,880.28	2,728.82	10,609.10	2,728.82	0.00	10,609.10	174,041.36
02/01/20	7,998.48	2,610.62	10,609.10	2,610.62	0.00	10,609.10	166,042.88
08/01/20	8,118.46	2,490.64	10,609.10	2,490.64	0.00	10,609.10	157,924.42
02/01/21	8,240.23	2,368.87	10,609.10	2,368.87	0.00	10,609.10	149,684.19
08/01/21	8,363.84	2,245.26	10,609.10	2,245.26	0.00	10,609.10	141,320.35
02/01/22	8,489.29	2,119.81	10,609.10	2,119.81	0.00	10,609.10	132,831.06
08/01/22	8,616.63	1,992.47	10,609.10	1,992.47	0.00	10,609.10	124,214.43
02/01/23	8,745.88	1,863.22	10,609.10	1,863.22	0.00	10,609.10	115,468.55
08/01/23	8,877.07	1,732.03	10,609.10	1,732.03	0.00	10,609.10	106,591.48
02/01/24	9,010.23	1,598.87	10,609.10	1,598.87	0.00	10,609.10	97,581.25
08/01/24	9,145.38	1,463.72	10,609.10	1,463.72	0.00	10,609.10	88,435.87
02/01/25	9,282.56	1,326.54	10,609.10	1,326.54	0.00	10,609.10	79,153.31
08/01/25	9,421.80	1,187.30	10,609.10	1,187.30	0.00	10,609.10	69,731.51
02/01/26	9,563.13	1,045.97	10,609.10	1,045.97	0.00	10,609.10	60,168.38
08/01/26	9,706.57	902.53	10,609.10	902.53	0.00	10,609.10	50,461.81
02/01/27	9,852.17	756.93	10,609.10	756.93	0.00	10,609.10	40,609.64
08/01/27	9,999.96	609.14	10,609.10	609.14	0.00	10,609.10	30,609.68
02/01/28	10,149.95	459.15	10,609.10	459.15	0.00	10,609.10	20,459.73
08/01/28	10,302.20	306.90	10,609.10	306.90	0.00	10,609.10	10,157.53
02/01/29	10,157.53	152.36	10,309.89	152.36	0.00	10,309.89	0.00
08/01/29	0.00	0.00	0.00	0.00	0.00	0.00	0.00
02/01/30	0.00	0.00	0.00	0.00	0.00	0.00	0.00
	\$225,000	\$71,755.59	\$296,755.59	\$130,490.79		\$296,755.59	
			Excess Tax Abatement	21,517.49			
			Total Net Revenue	\$318,273.08			



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0588      **Version:** 1      **Name:**  
**Type:** Public Hearing      **Status:** Public Hearing  
**File created:** 9/6/2012      **In control:** Community Development  
**On agenda:** 9/24/2012      **Final action:**  
**Title:** Conduct a public hearing to consider a business subsidy within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [DC Mfg Purchase and Development Contract - 407536v3.pdf](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Conduct a public hearing to consider a business subsidy within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.

### *Body*

#### **Background Information:**

Section 3.9 of the Purchase and Development Contract represents a Business Subsidy Agreement with the Developer, as governed by the Business Subsidy Act. The Business Subsidy Act defines what a business subsidy is and how it must be treated. Generally speaking, financial assistance above an amount of \$150K is considered to be a subsidy. Even though, if Itasca County joins the City in the requested abatement, the City's share of the abatement will fall below that amount, the City's bond attorney has advised us to treat it as a qualified subsidy. The general terms of the Business Subsidy Agreement include:

- The subsidy is equal to the requested principal amount of \$225K bearing an interest rate of 3% annually.
- The public purpose of the subsidy is to facilitate development of a manufacturing facility and to increase tax base and provide employment opportunities.
- The goals of the subsidy are to: secure development of the 13,500 sf manufacturing facility and maintain those facilities for a minimum of 5 years, to retain the existing 9 employees of DC Manufacturing and secure the creation of 6 new employees over the next two years.
- The subsidy is needed to induce DC Manufacturing to relocate its business to the site and preserve and enhance job and tax base growth in the City and County. But for the subsidy provided, the expansion would likely occur elsewhere.

Under the Business Subsidy Act, the City is required to conduct this public hearing.

**Requested City Council Action**

Conduct a public hearing to consider a business subsidy within the context of a Purchase and Development Contract between Cutsforth Holdings LLC, GREDA, the City and Itasca County.

Third Draft, September 5, 2012

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**PURCHASE AND DEVELOPMENT CONTRACT**

**By and Between**

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**CITY OF GRAND RAPIDS, MINNESOTA**

**and**

**ITASCA COUNTY, MINNESOTA**

**and**

**CUTSFORTH HOLDINGS, LLC**

**Dated as of:** \_\_\_\_\_

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This document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)

470 U.S. Bank Plaza

Minneapolis, Minnesota 55402

(612) 337-9300

<http://www.kennedy-graven.com>

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SCHEDULE E      Certificate of Completion

## PURCHASE AND DEVELOPMENT CONTRACT

THIS AGREEMENT, made as of the \_\_ day of September, 2012, by and between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the "Authority"), the City of Grand Rapids, a Minnesota municipal corporation (the "City"), Itasca County, a political subdivision of the State of Minnesota (the "County"), and Cutsforth Holdings, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, GREDA was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081, as amended and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Grand Rapids (the "City"); and

WHEREAS, GREDA has undertaken a program to promote the development and redevelopment of land which is underutilized within the City, and in this connection created Development District No. 1 (hereinafter referred to as the "Development District") located in the City pursuant to the Act; and

WHEREAS, pursuant to the Act, GREDA is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the development of real property by private enterprise; and

WHEREAS, GREDA has acquired certain property described in Schedule A (the "Development Property") within the Development District, and intends to convey that property to the Developer for development of a manufacturing facility as described herein; and

WHEREAS, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the "Act") the City and County are authorized to abate property taxes in order to increase or preserve tax base and provide employment opportunities; and

WHEREAS, the Developer has requested tax abatement assistance under the Act, and the City and County have agreed to provide such assistance as described herein; and

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

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

## ARTICLE I

### Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Abatement Capacity” means the maximum amount of property taxes that may be abated in any year by a political subdivision under Section 469.1813, subd. 8 of the Act, as amended. As of the date of this Agreement, the Abatement Capacity for the City is the greater of 10% of the net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000. As of the date of this Agreement, the Abatement Capacity for the County is the greater of 10% of the net tax capacity of the County for the taxes payable year to which the abatement applies or \$200,000.

“Act” means Minnesota Statutes, Sections 469.1812 to 469.1815, as amended.

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

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

“Available Abatement” means, on each Payment Date, the sum of the City Tax Abatement and County Tax Abatement generated in the preceding six (6) months with respect to the Minimum Improvements and remitted to the City by the County, or such lesser amount as shall cause: (i) the cumulative City Tax Abatement paid to the Developer during the term of this Agreement to be no more than \$182,548, representing a principal amount of \$133,500 plus interest at the annual rate of 3.0%; (ii) the cumulative County Tax Abatement paid to the Developer during the term of this Agreement to be no more than \$125,321, representing a principal amount of \$91,500 plus interest at the annual rate of 3.0%; and (iii) the cumulative County Tax Abatement and City Tax Abatement paid to the Developer during the term of this Agreement to be no more than \$307,869, representing a principal amount of \$225,000 plus interest at the annual rate of 3.0%.

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

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

“City” means the City of Grand Rapids, Minnesota.

“City Abatement Resolution” means Resolution No. \_\_\_\_\_, approved by the City Council of the City on September 11, 2012, regarding abatement of property taxes on the Development Property.

“City Tax Abatement” means the real property taxes generated in any tax-payable year by extending the City’s total tax rate for that year against the tax capacity of the Minimum Improvements and the Property in accordance with the Development Agreement, excluding the initial tax capacity of the land as of January 2, 2011 for tax-payable year 2012, and excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 276A.

“Certificate of Completion” means the certification provided to the Developer pursuant to Section 4.4 of this Agreement.

"Construction Plans" means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) underground parking plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as GREDA may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Itasca, Minnesota.

“County Tax Abatement” means the real property taxes generated in any tax-payable year by extending the County’s total tax rate for that year against the tax capacity of the Minimum Improvements and the Property in accordance with the Development Agreement, excluding the initial tax capacity of the land as of January 2, 2011 for tax-payable year 2012, and excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 276A, and (ii) paid to the City by the County.

“County Abatement Resolution” means Resolution No. \_\_\_\_\_, adopted by the Board of Commissioners of the County on September 10, 2012, regarding abatement of property taxes on the Development Property.

“Developer” means Cutsforth Holdings, LLC, a Minnesota limited liability company, or its permitted successors and assigns.

"Development District" means the GREDA Development District.

“Development District Area” means the geographic area within the boundaries of the Development District.

“Development Program” means the Development Program for the Development District.

“Development Property” means the real property described in Schedule A of this Agreement.

“Event of Default” means an action by the Developer listed in Article IX of this Agreement.

“Grant Agreement” means the grant agreement between the IRRRB and the City described in Section 3.7(b) hereof, executed by the parties thereto.

“Grant-Eligible Costs” means the costs described in Section 3.7(a) hereof.

“GREDA” means the Grand Rapids Economic Development Authority.

“GREDA Representative” means the Executive Director of GREDA, or any person designated by the Executive Director to act as GREDA Representative for the purposes of this Agreement.

“Holder” means the owner of a Mortgage.

“IRRRB” means the Iron Range Resources and Rehabilitation Board.

“IRRRB Grant” means the grant described in Section 3.7(a) hereof.

“Maturity Date” has the meaning provided in Section 3.8 hereof.

“Minimum Improvements” means construction on the Development Property of an approximately 13,440 square-foot manufacturing facility and associated office space.

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

“Note” means the Taxable Limited Revenue Note, substantially in the form attached as Schedule D to this Agreement, to be issued by the City to the Developer.

“Payment Date” means each February 1 and August 1, commencing August 1 in the first taxes payable year after the County assessor’s market value of the Development Property reflects the completed Minimum Improvements; provided that if any such Payment Date is not a Business Day, the Payment Date shall be the next succeeding Business Day.

“State” means the state of Minnesota.

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

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

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than GREDA or City in exercising their rights under this Agreement), including without limitation condemnation or threat of condemnation of any portion of the Development Property, which directly result in delays. Unavoidable Delays shall not include delays experienced by the Developer in obtaining permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof.

## ARTICLE II

### Representations and Warranties

Section 2.1. Representations by GREDA. (a) GREDA is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the Act, GREDA has the power to enter into this Agreement and carry out its obligations hereunder.

(b) GREDA will use its best efforts to facilitate development of the Minimum Improvements, including but not limited to cooperating with the Developer in obtaining necessary administrative and land use approvals and construction financing pursuant to Section 7.1 hereof.

(c) The activities of GREDA are undertaken for the purpose of fostering the development of certain real property that is underutilized within the City, which will facilitate the development of this portion of the Development District Area by private enterprise, increase tax base, and increase employment opportunities.

Section 2.2. Representations by the City. (a) The City is a statutory city duly organized and existing under the laws of the State. Under the provisions of the Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The City proposes to grant abatement of taxes on the Development Property and the Minimum Improvements thereon, for the purposes of increasing the tax base and creating employment opportunities within the City.

Section 2.3. Representations by the County. (a) The County is a political subdivision of the State, duly organized and existing under the laws of the State. Under the provisions of the Act, the County has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The County proposes to grant abatement of taxes on the Development Property and the Minimum Improvements thereon, for the purposes of increasing the tax base and creating employment opportunities within the City.

Section 2.4. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a limited liability company, duly organized and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its articles of organization or bylaws, is duly qualified as a foreign limited liability company and authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery, and performance of this Agreement by proper action of its members.

(b) If the Developer acquires the Development Property in accordance with this Agreement, the Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Development Program and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code, energy-conservation and public health laws and regulations).

(c) The Developer will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

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

(e) The Developer will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

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

(g) The proposed development by the Developer hereunder would not occur but for the Abatement assistance being provided by the City hereunder.



## ARTICLE III

### Property Acquisition; Public Development Costs

Section 3.1. Conveyance of the Property. (a) GREDA owns the Development Property and will convey title to and possession of the Development Property to the Developer, subject to all the terms and conditions of this Agreement.

(b) The City and Authority will use their best efforts to obtain approval by the City Council before Closing of any amendment to the City zoning ordinance in order to permit construction of the Minimum Improvements on the Development Property.

Section 3.2. Purchase Price; Provisions for Payment. The purchase price to be paid to GREDA by the Developer in exchange for the conveyance of the Development Property shall be \$83,000. The parties agree and acknowledge that the Developer has placed \$500 as earnest money (the "Earnest Money") into an escrow account administered by a title company reasonably acceptable to GREDA (the "Title Company"), to be held and applied to the Purchase Price on the Closing Date. The balance of the Purchase Price shall be paid at Closing.

Section 3.3. Conditions of Conveyance. (a) GREDA shall convey title to and possession of the Development Property to the Developer by quit claim deed substantially in the form set forth on Schedule B to this Agreement (the "Deed"). GREDA's obligation to convey the Development Property to the Developer is subject to satisfaction of the following terms and conditions:

(1) GREDA having approved permanent financing for construction of the Minimum Improvements in accordance with Article VII hereof, and the Developer having closed on such permanent financing at or before Closing on transfer of title to the Development Property to the Developer.

(2) The City having approved all necessary zoning variances to the Development Property in accordance with Section 3.1.

(3) GREDA having approved Construction Plans for the Minimum Improvements in accordance with Section 4.3.

(4) The Developer having reviewed and approved (or waived objections to) title to the Development Property as set forth in Section 3.5.

(5) The Developer having reviewed and approved (or waived objections to) environmental conditions on the Development Property as set forth in Section 3.6.

(6) There is no uncured Event of Default under this Agreement.

Conditions (1), (3) and (6) are solely for the benefit of GREDA, and may be waived by GREDA. Conditions (4) and (5) are solely for the benefit of the Developer, and may be waived by the Developer. Condition (2) is for the benefit of all parties and may be waived by all parties.

(b) The closing on conveyance of the Development Property from GREDA to the Developer ("Closing") shall occur upon satisfaction of the conditions specified in this Section, but no later than October 31, 2012.

Section 3.4. Place of Document Execution, Delivery and Recording. (a) Unless otherwise mutually agreed by GREDA and the Developer, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made at the offices of GREDA or such other location to which the parties may agree.

(b) The Deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property. At closing, the Developer shall pay: all recording costs, including state deed tax, in connection with the conveyance of the Development Property; title insurance commitment fees and premiums, if any; and title company closing fees, if any. GREDA shall pay costs of recording any instruments used to clear title encumbrances; and any special assessments outstanding or levied against the Development Property as of the Closing Date. The parties agree and understand that the Development Property is exempt from property taxes for taxes payable in 2012, and is expected to be exempt for taxes payable in 2013.

Section 3.5. Title. (a) As soon as practicable after the date of this Agreement, the Developer, at Developer's sole expense, shall obtain a commitment for the issuance of a policy of title for the Development Property. The Developer shall have twenty (20) days from the date of its receipt of such commitment to review the state of title to the Development Property and to provide GREDA with a list of written objections to such title. Upon receipt of the Developer's list of written objections, GREDA shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Developer. In the event that GREDA has failed to cure objections within sixty (60) days after its receipt of the Developer's list of such objections, the Developer may by the giving of written notice to GREDA (i) terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than Developer's obligations under Section 3.10 hereof; or (ii) waive the objections and proceed to Closing. GREDA shall have no obligation to take any action to clear defects in the title to the Development Property, other than the good faith efforts described above.

(b) GREDA shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer.

(c) The Developer shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Developer expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Developer is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of Developer, its employees, officers, agents or consultants, including without limitation the Architect, Contractor and Developer's Engineer.

Section 3.6. Environmental Conditions. (a) The Developer acknowledges receipt of the information regarding environmental conditions on the Development Property set forth on Schedule C hereto. GREDA shall provide any additional information received by GREDA to Developer within 5 days of receipt by GREDA of such information. GREDA hereby grants to Developer and Developer's agents a license to enter and evaluate the Development Property for the purpose of conducting an environmental assessment. Further, the Developer or Developer's agent shall have the right pursuant to this license to bring persons and equipment onto the Development Property, make inspections and perform tests and analyses as Developer may deem reasonable to determine the presence of any toxic or hazardous waste, substance, or petroleum product or asbestos product, and ascertain soil conditions on the Development Property. The Developer shall bear the cost of the environmental assessment. If at least 20 days before Closing, Developer determines that hazardous waste or other pollutants as defined under federal and state law exist on the property, or that the soils are otherwise unsuitable for construction of the Minimum Improvements, Developer may at its option terminate this Agreement by giving written notice to GREDA, the City, and the County, upon receipt of which this Agreement shall be null and void and no party shall have any liability hereunder, except GREDA shall promptly return to Developer any earnest money and shall restore the Development Property to its original condition or nearly so as is reasonably practicable. The Developer, in any event, will provide to GREDA copies of all reports, reviews, tests or other environmental information obtained by Developer during the course of whatever investigation the Developer conducts, whether the Developer proceeds to closing or not.

(b) The Developer acknowledges that GREDA makes no representations or warranties as to the condition of the soils on the Development Property or the fitness of the Development Property for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property, and that the assistance provided to the Developer under this Agreement neither implies any responsibility by GREDA or the City for any contamination of the Development Property nor imposes any obligation on such parties to participate in any cleanup of the Development Property.

(c) Without limiting its obligations under Section 8.3 of this Agreement, the Developer further agrees that it will indemnify, defend, and hold harmless GREDA, the City, the County, and their governing body members, officers, and employees (the "Indemnified Parties"), from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Development Property, which either (i) arise out of activities of Developer on the Development Property or (ii) arise out of hazardous substances, asbestos, petroleum substances, or pollutants, irritants or contaminants brought onto the Development Property by Developer. In addition, Developer agrees to release the Indemnified Parties from any and all costs, expenses, losses, liabilities, claims, causes of action, demands, and damages relating to the environmental conditions on the Development Property as of the Date of Closing, including without limitation any claim the Developer may have to recover from all or any of the Indemnified Parties any costs or expenses incurred by the Developer in performing any remediation of the Development Property. Nothing in this section will be construed to limit or affect any limitations on liability of the City, Authority, or County under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

Section 3.7. Grant Disbursement. (a) To finance a portion of the costs (the “Grant-Eligible Costs”) of necessary site work on the Development Property, including engineering and soft costs for such site work (the “Grant-Eligible Activities”), the City has applied for and has received a grant from IRRRB in the amount of \$150,000 (the “IRRRB Grant”).

(b) The City will appoint the Authority as general contractor for the Grant-Eligible Activities on the Development Property and delegate to the Authority the submission and collection of Grant-Eligible Costs from and to the extent of available grant proceeds in accordance with the terms of the Grant Agreement and the terms of this Section. The Developer agrees that at Closing, it will grant a license to GREDA or its agents to enter the Development Property for the purpose of performing the Grant-Eligible Activities. Notwithstanding anything to the contrary herein, the Developer agrees and acknowledges that if Grant-Eligible Costs exceed the amount to be reimbursed under the Grant Agreement or this Section, such excess shall be the sole responsibility of the Developer as described in Section 3.7(h).

(c) All disbursements from the proceeds of the IRRRB Grant will be made subject to the conditions precedent that on the date of such disbursement:

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

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

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

(4) Developer has submitted, and the City has approved, Construction Plans for the Minimum Improvements in accordance with Article IV hereof.

(d) Whenever the Authority desires a disbursement to be made hereunder, which shall be no more often than bi-weekly, the Authority shall submit to the City a draw request duly executed on behalf of the Authority, accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by the Authority. Each draw request shall constitute a representation and warranty by the Authority that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request.

(e) If the Authority has performed all of its agreements and complied with all requirements to be performed or complied with hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the City shall make a disbursement to the

Authority in the amount of the requested disbursement or such lesser amount as shall be approved, within twenty Business Days after the date of the City's receipt of the draw request, or, if later, upon receipt of grant proceeds from the IRRRB.

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

(g) The City may, in its sole discretion, without notice to or consent from any other party, waive any or all conditions for disbursement set forth in this section. However, the making of any disbursement prior to fulfillment of any condition therefor shall not be construed as a waiver of such condition, and the City shall have the right to require fulfillment of any and all such conditions prior to authorizing any subsequent disbursement.

(h) All Grant-Eligible Costs incurred by the Authority in excess of grant proceeds available for such costs (the "Excess Costs") shall be paid to the Authority by the Developer within twenty Business Days after the date of receipt by the Developer of a final accounting by the Authority and City of all grant proceeds disbursed for Grant-Eligible Activities and the amount of such Excess Costs.

Section 3.8. Property Tax Abatement. (a) *Generally.* In furtherance of the objectives set forth in and subject to the terms and conditions of this Agreement, the City will issue the Note to the Developer in the principal amount of \$225,000 in substantially the form attached hereto as Schedule D. The Note shall be secured solely by Available Abatement, and the City and County each pledge City Tax Abatement and County Tax Abatement, respectively, to the debt service fund for the Note. The Note shall bear interest at the annual rate of 3.0%. Principal and accrued interest due and payable on the Note shall be paid on each Payment Date. Payments of principal and interest on the Note shall commence on August 1, 2015. The Note shall terminate on the earlier of the date that (i) the Developer has been reimbursed a principal amount not to exceed \$225,000 or (ii) February 1, 2030 (the "Maturity Date").

(b) *Limitations.* The pledge of Available Abatement is subject to all the terms and conditions of the City Abatement Resolution and the County Abatement Resolution. The Note is payable solely from and to the extent of the City Tax Abatement and County Tax Abatement, and nothing herein shall be construed to obligate the City or County to make payments from any other funds. The City and County make no warranties or representations as to the amount of the Available Abatement, or that amounts payable on the Note will be sufficient to pay all or any portion of the principal amount. Any estimates of Available Abatement amounts prepared by the City's financial consultants are for the benefit of the City only, and the Developer is not entitled to rely on such estimates.

The Developer further acknowledges that the total property tax abatements payable by the City in any year may not exceed the City's Abatement Capacity; and that the total property tax abatements payable by the County in any year may not exceed the County's Abatement Capacity. Neither the City nor the County warrants or represents that the City Tax Abatements or County Tax Abatements in the amounts pledged to the Note will be within the City's or County's

Abatement Capacity. The parties understand and agree that the City has no other tax abatement outstanding. The City's Abatement Volume Cap will be allocated first to the Abatement pledged under this Agreement, then to any future tax abatements granted under the Abatement Act. The parties further understand and agree that the Abatement is subject to the abatement granted by the County's Abatement Resolution No. 07-05-01, granting a tax abatement to certain property in the City for public infrastructure (the "Prior County Abatement"). The County's Abatement Volume Cap will be allocated first to the Prior County Abatement, then to the Abatement pledged under this Agreement, then to any future tax abatements granted under the Abatement Act.

(c) *Delivery.* The Note shall be delivered by the City to the Developer at Closing. The parties agree that consideration for delivery of the Note is Developer's obligation to complete the Project and meet the business subsidy goals in accordance with Section 3.9 of this Agreement. In the event of any inconsistency between the terms of this Agreement and the terms of the Note, the terms of the Note shall control.

Section 3.9. Business Subsidy Agreement. The provisions of this Section constitute the "business subsidy agreement" for the purposes of the Business Subsidy Act.

(a) *General Terms.* The parties agree and represent to each other as follows:

(1) The subsidy provided to the Developer consists of the principal amount of the Note described in Section 3.8 and payable from the City Tax Abatement and the County Tax Abatement.

(2) The public purposes of the subsidy are to facilitate development of a manufacturing facility, and to increase the tax base and provide employment opportunities in the City.

(3) The goals for the subsidy are: to secure development of the Minimum Improvements on the Development Property; to maintain such improvements as a manufacturing facility for at least five years as described in clause (6) below; and to create the jobs and wage levels described in paragraph (b) of this Section.

(4) If the goals described in clause (3) are not met, the Developer must make the payments to the City described in Section 3.9(c).

(5) The subsidy is needed to induce Developer to relocate its business at this site, thus preserving and enhancing job and tax base growth for the City and County. The Developer operates an existing facility in the State at a site that cannot accommodate expansion. But for the subsidy provided in this Agreement, the expansion would likely occur elsewhere.

(6) The Developer must continue operation of the Minimum Improvements as a "Qualified Facility" for at least five years after the Benefit Date (defined hereinafter), subject to the continuing obligation described in Section 10.3 of this Agreement. For the purposes of this Section, the term Qualified Facility means a manufacturing facility of motor

and generator parts. The improvements will be a Qualified Facility as long as the Minimum Improvements are operated by Developer or a tenant for the aforementioned qualified uses. During any period when the Minimum Improvements are vacant and not operated for the aforementioned qualified uses, the Minimum Improvements will not constitute a Qualified Facility.

(7) The Developer does not have a parent corporation.

(8) The Developer has not received, and does not expect to receive financial assistance from any other “grantor” as defined in the Business Subsidy Act, in connection with the Development Property or the Minimum Improvements.

(b) *Job and Wage Goals.* Within two years after the date of issuance of the certificate of completion of the Minimum Improvements described in Section 4.4 (the “Compliance Date”), the Developer shall cause to be relocated to the City at least 9 full-time equivalent jobs, and shall cause to be created at least 6 additional full-time equivalent jobs (2,800 hours annually) in the Minimum Improvements, and shall cause the wages for such additional jobs to be no less than \$12.50 per hour, excluding benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied despite the Developer’s continuing obligations under Sections 3.9(a)(6) and 3.3(d). The City may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this section will be construed to limit the City’s legislative discretion regarding this matter.

(c) *Remedies.* If the Developer fails to meet the goals described in Section 3.9(a)(3), the Developer shall repay to the City upon written demand from the City a “pro rata share” of prior payments under the Note, if any, together with interest on such amounts at the rate described in Section 116J.994, subd. 6 of the Business Subsidy Act, accrued from the date of each payment made on the Note to the date of repayment. The term “pro rata share” means a percentage calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(ii) if the failure relates to wages, the number of jobs required less the number of jobs that meet the minimum wages, divided by the number of jobs required

(iii) if the failure relates to maintenance of the Minimum Improvements in accordance with Section 3.9(a)(6), 60 less the number of months of operation as a rehabilitation and fitness center, commencing on the date of the certificate of completion and ending with the date the facility ceases operation as determined by City staff, divided by 60; and

(iv) if more than one of clauses (i) through (iii) apply, the sum of the applicable percentages, not to exceed 100%.

Any amounts received under this Section by the City shall be distributed between the City and the County based on the pro rata amounts of City Tax Abatement and County Tax Abatement that have been paid to Developer or its assigns as payments of principal and interest under the Note. Promptly upon receipt of any repayment by the Developer, the City will remit to the County any amount attributable to County Tax Abatements. Nothing in this Section shall be construed to limit the City's or County's remedies under Article IX hereof. In addition to the remedy described in this Section and any other remedy available to the City or County for failure to meet the goals stated in Section 3.9(a)(3), the Developer agrees and understands that it may not receive a business subsidy from the City, the County, or any other grantor (as defined in the Business Subsidy Act) for a period of five years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(d) *Reports.* The Developer must submit to the City a written report regarding business subsidy goals and results by no later than February 1 of each year, commencing February 1, 2013 and continuing until the later of (i) the date the goals stated Section 3.9(a)(3) are met; (ii) 30 days after expiration of the period described in Section 3.9(a)(6); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.9(c). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section \$1,000. The City agrees with the County that the City will file, on behalf of both entities, any reports required to be filed with the State under the Business Subsidy Act.

Section 3.10. Payment of Administrative Costs. The Developer agrees that it will pay, within 15 days after written notice from the City, the reasonable costs of consultants and attorneys retained by the City, the County, or GREDA in connection with the Abatement and the negotiation in preparation of this Agreement and other incidental agreements and documents related to the development contemplated hereunder. The City will provide written reports describing the costs accrued under this Section upon request from the Developer, but not more often than intervals of 45 days. Any amount deposited by the Developer upon filing its application for Abatement assistance with GREDA will be credited to the Developer's obligation under this Section. Upon termination of this Agreement in accordance with its terms, the Developer remains obligated under this section for costs incurred through the effective date of termination.

Section 3.11. Option to Purchase. For a period of two years after the date of this Agreement (the "Negotiation Period"), the Developer shall have the option to purchase certain property adjacent to the Development Property and described on Schedule A as the "GREDA Property" (the "Option"), as provided in this Section. During the Negotiation Period, GREDA agrees that if it receives any bona fide offer from a third party to purchase the GREDA Property, it will present the terms of such offer to the Developer in writing, and the Developer shall have the right to exercise its Option on the same terms as such offer. If the Developer does not give written notice of its intention to exercise its Option within fifteen Business Days after receipt of such terms from GREDA, the Developer will be deemed to have declined to exercise the Option and GREDA



shall have the right to convey the GREDA Property to such third party. The Developer shall not assign or transfer its rights under this Section in full or in part without the prior written consent of GREDA.

## ARTICLE IV

### **Construction of Minimum Improvements**

Section 4.1. Construction of Improvements. The Developer agrees that it will construct or cause construction of the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and that it will, during any period while the Developer retains ownership of any portion of the Minimum Improvements, operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. (a) Before commencing construction of the Minimum Improvements, the Developer shall submit to the City Construction Plans for the Minimum Improvements. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement, the Development Program and all applicable State and local laws and regulations. The City will approve the Construction Plans in writing if (i) the Construction Plans conform to all terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Development Program; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer for construction of the Minimum Improvements; and (vi) no Event of Default has occurred. No approval by the City shall relieve the Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the City shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the City, in whole or in part. Such rejections shall set forth in detail the reasons therefor based upon the criteria set forth in (i) through (vi) above, and shall be made within 20 days after the date of receipt of final plans from the Developer. If the City rejects any Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within twenty (20) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City. The City's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

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

(b) If the Developer desires to make any material change in the Construction Plans or any component thereof after their approval by the City, the Developer shall submit the proposed change to the City for its approval. For the purpose of this section, the term “material” means changes that increase or decrease construction costs by \$500,000 or more. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the City shall approve the proposed change and notify the Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within 10 days after receipt of the notice of such change. The City’s approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. (a) Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements by October 15, 2012. Subject to Unavoidable Delays, the Developer shall complete the construction of the Minimum Improvements by March 1, 2013. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City.

(b) The Developer agrees for itself, its successors, and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. After the date of this Agreement and until the Minimum Improvements have been fully leased, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the City, but no more than monthly, as to the actual progress of the Developer with respect to such construction and leasing.

Section 4.4. Certificate of Completion. (a) Promptly after completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for beginning and completion thereof), the City Representative shall deliver to the Developer a Certificate in substantially the form shown as Schedule E, in recordable form and executed by the City.

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

(c) The construction of the Minimum Improvements shall be deemed to be substantially complete upon issuance of a certificate of occupancy for the Minimum Improvements, and upon

determination by the City Representative that all related site improvements on the Development Property have been substantially completed in accordance with approved Construction Plans.

Section 4.5. Records. GREDA, the City, and the County, through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Developer relating to the Minimum Improvements. Such records shall be kept and maintained by Developer through the Maturity Date.

## ARTICLE V

### Insurance

Section 5.1. Insurance. (a) The Developer will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

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

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

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

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

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

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

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

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the City at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

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

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

A failure to promptly repair, reconstruct and restore the Minimum Improvements as required by this Section 5.1(d) will be considered an Event of Default under this Agreement and the City and/or the County may suspend payments on the Note or exercise any other remedies provided in Section 9.2 hereof.

(e) All of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

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

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## ARTICLE VI

### Abatement; Taxes

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City and County are providing substantial aid and assistance in furtherance of the development through issuance of the Note. The Developer understands that the City Tax Abatement and County Tax Abatement pledged to the Note are derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Reduction of Taxes. The Developer agrees that prior to the Maturity Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (A) willful destruction of the Development Property or any part thereof; or (B) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement, except as provided in Section 5.1(e). The Developer also agrees that it will not, prior to the Maturity Date, seek exemption from property tax for the Development Property or any portion thereof or transfer or permit the transfer of the Development Property to any entity that is exempt from real property taxes and state law, or apply for a deferral of property tax on the Development Property pursuant to any law. The Developer's failure to comply with this Section 6.2 shall not be considered an Event of Default hereunder if the Developer pays to the City all of the City Tax Abatements paid to the Developer as payments on the Note and the Developer pays to the County all of the County Tax Abatement paid to the Developer as payments on the Note. Following such repayment of both the City Tax Abatements and the County Tax Abatement, this Agreement shall be terminated.

## ARTICLE VII

### **Other Financing**

Section 7.1. Generally. Before Closing, the Developer shall submit to GREDA and the City or provide access thereto for review by GREDA and City staff, consultants and agents, evidence reasonably satisfactory to GREDA and the City that Developer has available funds, or commitments to obtain funds, whether in the nature of mortgage financing, equity, grants, loans, or other sources sufficient for paying the cost of the developing the Minimum Improvements, provided that any lender or grantor commitments shall be subject only to such conditions as are normal and customary in the commercial lending industry.

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

Section 7.3. Modification; Subordination. If the Developer requires mortgage financing for the development of the Minimum Improvements, the City and the County agree to subordinate their rights under this Agreement to the Holder of any Mortgage securing construction or permanent financing and the City and the County agree to consent to such subordination, in accordance with the terms of a subordination agreement in such form as the City and the County approve in writing.

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## ARTICLE VIII

### **Prohibitions Against Assignment and Transfer; Indemnification**

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

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

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to undertaking the development contemplated under this Agreement, and any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity whether or not related in any way to the Developer (collectively, a "Transfer"), without the prior written approval of the City (whose approval will not be unreasonably withheld, subject to the standards described in paragraph (b) of this Section) unless the Developer remains liable and bound by this Development Agreement in which event the City's approval is not required. Any such Transfer shall be subject to the provisions of this Agreement. For the purposes of this Agreement, the term Transfer does not include (i) acquisition of a controlling interest in Developer by another entity or merger of Developer with another entity; or (ii) any sale, conveyance, or transfer in any form to any Affiliate.

(b) In the event the Developer, upon Transfer of the Development Property or any portion thereof either before or after issuance of the Certificate of Completion, seeks to be released from its obligations under this Development Agreement as to the portion of the Development Property that is transferred, the City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

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

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable in the public land records of the County, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and

restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or controls with respect to the Development Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the City of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Development Property that the City would have had, had there been no such transfer or change. In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the Development Property, from any of its obligations with respect thereto.

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

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. The restrictions under this Section terminate upon issuance of the Certificate of Completion.

Section 8.3. Release and Indemnification Covenants. (a) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties as hereinafter defined, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer releases from and covenants and agrees that GREDA, the City, the County, and the governing body members, officers, agents, servants, and employees thereof (the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Development Property or the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement (including without limitation any failure by the City or County to perform any procedure required under law in connection with the Abatement), the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the

transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance, and operation of the Development Property.

(c) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties as hereinafter defined, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the Development Property or Minimum Improvements.

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

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## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such thirty- (30-) day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

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

(b) If, before issuance of the certificate of completion for all the Minimum Improvements, the Developer shall

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law, which action is not dismissed within sixty (60) days after filing; or

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

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

(iv) be adjudicated a bankrupt or insolvent.

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

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

(b) Upon a default by the Developer under this Agreement, the City may terminate its obligations under the Agreement and the Note, provided that:

(i) if the City terminates its obligations under the Agreement, it shall have no obligation to make payments of City Tax Abatements under the Note; however, the City will continue to make payments of County Tax Abatements toward the principal amount of the Note if the County has not terminated its obligations under the Agreement;

(ii) if the County terminates its obligations under the Agreement, it shall have no further obligations to make payments of County Tax Abatements to the City hereunder, and the City shall have no obligation to make payments under the Note from such funds;

(iii) if both the City and the County terminate their obligations hereunder, respectively, this Agreement and the Note shall be deemed terminated and the City shall have no further obligations thereunder. Except as otherwise provided in Section 3.9(c), the City may not terminate its obligations to make payments under the Note unless both the City and the County have terminated their obligations hereunder.

(c) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 9.3. Revesting Title in GREDA Upon Happening of Event Subsequent to Conveyance to Developer. In the event that subsequent to conveyance of the Development Property to Developer and prior to completion of construction of the Minimum Improvements (evidenced by a Certificate of Completion described in Section 4.4):

(a) Developer, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 90 days after written notice from GREDA to Developer to do so; or

(b) Developer fails to pay real estate taxes or assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to GREDA made for such payment, removal, or discharge, within thirty (30) days after written demand by GREDA to do so; provided, that if Developer first notifies GREDA of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event GREDA shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest Developer shall keep GREDA informed respecting the status of such defense; or

(c) there is, in violation of the Agreement, any Transfer of the parcel in violation of the terms of Section 8.2, and such violation is not cured within sixty (60) days after written demand by GREDA to Developer, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to GREDA that the event will be cured as soon as reasonably possible; or

(d) Developer fails to comply with any of its other covenants under this Agreement related to the Minimum Improvements and fails to cure any such noncompliance or breach within thirty (30) days after written demand from GREDA to Developer to do so, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to GREDA that the event will be cured as soon as reasonably possible; or

(e) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of GREDA hereunder;

Then GREDA shall have the right to re-enter and take possession of the parcel to which the default relates and to terminate (and revest in GREDA) the estate conveyed by the deed to Developer as to that parcel, subject to all intervening matters, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the parcel to Developer shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Developer and failure on the part of Developer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, GREDA at its option may declare a termination in favor of GREDA of the title, and of all the rights and interests in and to the parcel conveyed to Developer, and that such title and all rights and interests of Developer, and any assigns or successors in interest to and in the parcel, shall revert to GREDA, but only if the events stated in Section 9.3(a)-(e) have not been cured within the time periods provided above. Notwithstanding anything to the contrary herein, in the event the Development Property has been replatted as part of other parcels as of the date of GREDA's exercise of its rights under this Section, Developer will cooperate with GREDA in obtaining any subdivision necessary to revest in GREDA title to the applicable GREDA Parcel.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in GREDA of title to and/or possession of the parcel or any part thereof as provided in Section 9.3, GREDA shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as GREDA shall find feasible and consistent with the objectives of such law and of the Development Program to a qualified and responsible party or parties (as determined by GREDA) who will assume the obligation of making or completing the Minimum Improvements as shall be satisfactory to GREDA in accordance with the uses specified for such parcel or part thereof in the Development Program. During any time while GREDA has title to and/or possession of a parcel obtained by reverter, GREDA will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse GREDA for all costs and expenses incurred by them, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the parcel (but less any income derived by GREDA from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by GREDA, an amount, if paid, equal to such taxes, assessments, or charges (as determined by GREDA assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of revesting of title thereto in GREDA or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements

or any part thereof on the parcel or part thereof; and any amounts otherwise owing GREDA by Developer and its successor or transferee; and

(b) Second, to reimburse Developer, its successor or transferee, up to the amount equal to (1) the purchase price paid by Developer under Section 3.2 with respect to the parcel revested; plus (2) the amount actually invested by it in making any of the subject improvements on the parcel or part thereof.

Any balance remaining after such reimbursements shall be retained by GREDA as its property.

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle GREDA to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.7. Attorney Fees. Whenever any Event of Default occurs and if the non-defaulting parties employ attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party under this Agreement, the defaulting party shall, within ten (10) days of written demand by the non-defaulting parties, pay to the non-defaulting parties the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting parties.

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## ARTICLE X

### Additional Provisions

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

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

Section 10.3. Restrictions on Use. The Developer agrees that until the Maturity Date, the Developer, and such successors and assigns, shall devote the Development Property to the operation of the Minimum Improvements as described in Section 4.1 hereof, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by any party to the others shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the following addresses (or to such other addresses as any party may notify the others):



To Developer: Cutsforth Holdings, LLC  
Attn: Jim Carlstrom  
37837 Rock Haven Road  
Cohasset, MN 55721

To GREDA: Grand Rapids EDA  
Attn: Executive Director  
420 Pokegama Avenue North  
Grand Rapids, Minnesota 55744

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

To the County: Itasca County  
Attn: County Administrator  

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Grand Rapids, Minnesota 55744

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. GREDA may record this Agreement and any amendments thereto with the Itasca County recorder. The Developer shall pay all costs for recording. The Developer's obligations under this Agreement are covenants running with the land for the term of this Agreement, enforceable by GREDA against the Developer, its successor and assigns, and every successor in interest to the Development Property, or any part thereof or any interest therein.

Section 10.9. Amendment. This Agreement may be amended only by written agreement approved by GREDA, the City, the County, and the Developer.

Section 10.10. City, County, or GREDA Approvals. Unless otherwise specified, any approval required by the City, the County, or GREDA under this Agreement may be given by the GREDA Representative, except that final approval of the City Tax Abatement shall be made by the City Council of the City and final approval of the County Tax Abatement shall be made by the Board of Commissioners of the County.

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IN WITNESS WHEREOF, GREDA, the City, the County, and the Developer have caused this Agreement to be duly executed by their duly authorized representatives as of the date first above written.

GRAND RAPIDS ECONOMIC DEVELOPMENT  
AUTHORITY

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012 by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive Director of the Grand Rapids Economic Development Authority, on behalf of GREDA.

\_\_\_\_\_  
Notary Public

CITY OF GRAND RAPIDS, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF ITASCA    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012  
by \_\_\_\_\_ and \_\_\_\_\_, the Mayor and City Administrator of the City  
of Grand Rapids, Minnesota, on behalf of the City.

\_\_\_\_\_  
Notary Public

ITASCA COUNTY, MINNESOTA

By \_\_\_\_\_  
Its Board Chair

By \_\_\_\_\_  
Its County Administrator

STATE OF MINNESOTA    )  
                                  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012  
by \_\_\_\_\_ and \_\_\_\_\_, the Board Chair and County Administrator of  
the Itasca County, Minnesota, on behalf of the County.

\_\_\_\_\_  
Notary Public



**SCHEDULE A**  
**DEVELOPMENT PROPERTY AND GREDA PROPERTY**

## SCHEDULE B

### FORM OF QUIT CLAIM DEED

THIS INDENTURE, between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the state of Minnesota (the “Grantor”), and Cutsforth Holdings, LLC, a Minnesota limited liability company (the “Grantee”).

WITNESSETH, that Grantor, in consideration of the sum of \$83,000 and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Itasca and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the “Property”):

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

#### SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor, the City of Grand Rapids, Minnesota (the “City”) and Grantee on the \_\_\_\_\_ day of \_\_\_\_\_, 2012, identified as “Purchase and Development Contract” (hereafter referred to as the “Agreement”) and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed or for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion

thereof. Such certifications and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, Itasca County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

## SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

## SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or



any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Grand Rapids, and state and federal laws and regulations in so far as they affect this real estate.

(b) [Others]

Grantor certifies that it does not know of any wells on the Property.



**SCHEDULE C**  
**ENVIRONMENTAL REPORTS**

**SCHEDULE D**

**FORM OF NOTE**

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

No. R-1

\$ \_\_\_\_\_

**TAXABLE LIMITED REVENUE NOTE  
SERIES \_\_\_\_\_**

Interest Rate:  
4.0%

Date of  
Original Issue

\_\_\_\_\_

The City of Grand Rapids, Minnesota (the "Issuer"), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of Cutsforth Holdings, LLC, or registered assigns (the "Owner"), solely from the source, to the extent and in the manner hereinafter provided, the principal sum in an amount not to exceed \$225,000, together with interest at the rate of 4.0% per annum. This Note is given in accordance with that certain Contract for Private Development between the Issuer, Itasca County (the "County"), the Grand Rapids Economic Development Authority, and the Owner dated as of \_\_\_\_\_, 2012 (the "Contract"). Capitalized terms used and not otherwise defined herein shall have the meaning provided for such terms in the Contract unless the context clearly requires otherwise.

Payments of principal and accrued interest on this Note (each a "Payment") shall be payable in semi-annual installments payable on each February 1 and August 1, (the "Payment Dates") commencing August 1, 20\_\_ and ceasing no later than February 1, 20\_\_ (the "Final Maturity Date"), each Payment being in the amount of Available Abatement, as defined herein. Payments are subject to prepayment at the option of the Issuer in whole or in part on any date after the date of original issue.

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

Payments on this Note are payable solely from "Available Abatement," which shall mean, on each Payment Date, the sum of the City Tax Abatements and County Tax Abatements generated in the preceding six (6) months with respect to the Development Property and remitted to the Issuer by the County. The pledge of Available Abatement is subject to all the terms and conditions of the City Abatement Resolution, the County Abatement Resolution and the Contract.

The Issuer shall have no obligation to make any Payment on any Payment Date if, as of such date there has occurred and is continuing any Event of Default on the part of the Owner as defined in the Contract. If the Event of Default is thereafter cured in accordance with the Agreement, the City Tax Abatement and County Tax Abatement as of such Payment Date shall be deferred and paid on the next

Payment Date after the Event of Default is cured. If an Event of Default is not timely cured and either the City or the County elects to terminate their respective obligations under the Contract, the Issuer shall have no further obligations to make Payments hereunder from City Tax Abatement or County Tax Abatement, as the case may be. If an Event of Default is not timely cured and both the Issuer and County terminate their respective obligations under the Contract, the Contract and the Note shall be deemed terminated and the Issuer shall have no further obligations hereunder. Except as otherwise provided in Section 3.9(c) of the Contract, the Issuer may not terminate the Note unless the Issuer and the County have terminated their obligations under the Contract.

This Note shall terminate and be of no further force and effect as of the earlier of: (1) the last Payment Date; (2) the date the Payments shall have been paid in full; or (3) the date the Contract and the Note have been terminated in accordance with the Contract. The Issuer makes no representation or covenant, express or implied, that the City Tax Abatement or the County Tax Abatement will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. The Issuer shall have no obligation to pay any portion of the Payments that remains unpaid after February 1, 20\_\_.

Any estimates of Abatement prepared by the Issuer, the County or their respective financial advisors in connection with the Available Abatement and the Contract are for the benefit of the Issuer and County only, and are not intended as representations on which the Developer may rely.

THE ISSUER AND THE COUNTY MAKE NO REPRESENTATIONS OR WARRANTIES THAT THE AVAILABLE ABATEMENT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

This Note is issued pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, and pursuant to the resolution of the Issuer adopted on \_\_\_\_\_, 2012 (the "Resolution") duly adopted by the Issuer pursuant to and in full conformity with the Constitution and laws of the State of Minnesota. This Note is a limited obligation of the Issuer, payable solely from moneys pledged to the payment of the Note under the Resolution. The Note shall not be deemed to constitute a general obligation of the State of Minnesota, or any political subdivision thereof, including, without limitation, the Issuer and the County. Neither the State of Minnesota, nor any political subdivision thereof, including, without limitation, the Issuer and the County, shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except from the revenues and receipts pledged therefor, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof, including, without limitation, the Issuer, is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

This Note is issuable only as a fully registered note without coupons. This Note is transferable upon the books of the Issuer kept for that purpose at the principal office of the Registrar, by the Owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Issuer, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Issuer with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate, and maturing on the same dates.

This Note shall not be transferred to any person or entity unless the Issuer has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the Issuer, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. Transfer of the ownership of this Note to a person other than one permitted by this

paragraph without the written consent of the Issuer shall relieve the Issuer of all of its obligations under this Note.

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

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

**CITY OF GRAND RAPIDS, MINNESOTA**

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

**REGISTRATION PROVISIONS**

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

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Finance Director</u>
_____	Cutsforth Holdings, LLC Federal ID # _____	_____

**SCHEDULE E**

**CERTIFICATE OF COMPLETION**

WHEREAS, the Grand Rapids Economic Development Authority, the City of Grand Rapids, Minnesota (the "City"), Itasca County, Minnesota, and Cutsforth Holdings, LLC ("Developer") entered into a certain Purchase and Development Contract dated \_\_\_\_\_, 2012 ("Contract"), filed as Document No. \_\_\_\_\_ at the office of the County Recorder; and

WHEREAS, the Contract contains certain covenants and restrictions set forth in Articles III and IV thereof related to completing certain Minimum Improvements; and

WHEREAS, the Developer has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the City to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all construction and other physical improvements related to the Minimum Improvements specified to be done and made by the Developer have been completed and the agreements and covenants in Articles III and IV of the Contract have been performed by the Developer, and this Certificate is intended to be a conclusive determination of the satisfactory termination of the covenants and conditions of Articles III and IV of the Contract related to completion of the Minimum Improvements, but any other covenants in the Contract shall remain in full force and effect.

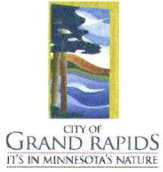
Dated: \_\_\_\_\_, 20\_\_.

CITY OF GRAND RAPIDS, MINNESOTA

By \_\_\_\_\_  
City Representative







# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

**File #:** 12-0590      **Version:** 1      **Name:**  
**Type:** Agenda Item      **Status:** Community Development  
**File created:** 9/6/2012      **In control:** Community Development  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider adopting a resolution granting a property tax abatement and approving a Purchase and Development Contract (Including a Business Subsidy Agreement) for certain property in the City of Grand Rapids, subject to approval by GREDA and the Itasca County Board.  
**Sponsors:**  
**Indexes:**  
**Code sections:**  
**Attachments:** [Grand Rapids abatement reso Cutsforth - 410439v1 \(2\).pdf](#)  
[DC Mfg Purchase and Development Contract - 407536v3.pdf](#)

Date	Ver.	Action By	Action	Result
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### *Title*

Consider adopting a resolution granting a property tax abatement and approving a Purchase and Development Contract (Including a Business Subsidy Agreement) for certain property in the City of Grand Rapids, subject to approval by GREDA and the Itasca County Board.

### *Body*

#### **Background Information:**

Following the public hearings to consider a tax abatement and granting a business subsidy, the Council may consider the public testimony as well as the recommendation provided by GREDA, and take action on the proposed resolution which approves entering into the Purchas and Development Contract.

#### **Requested City Council Action**

Consider adopting a resolution granting a property tax abatement and approving a Purchase and Development Contract (Including a Business Subsidy Agreement) for certain property in the City of Grand Rapids, subject to approval by GREDA and the Itasca County Board.

**CITY OF GRAND RAPIDS, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION GRANTING A PROPERTY TAX ABATEMENT  
AND APPROVING A PURCHASE AND DEVELOPMENT  
CONTRACT (INCLUDING A BUSINESS SUBSIDY  
AGREEMENT) FOR CERTAIN PROPERTY IN THE CITY OF  
GRAND RAPIDS**

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

Section 1. Recitals.

1.01. The City has determined a need to grant a property tax abatement (the "Abatement") pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815 (the "Act") to Cutsforth Holdings, LLC, a Minnesota limited liability company organized under the laws of the State of Minnesota (the "Developer"), for the construction of an approximately 13,400 square-foot manufacturing facility (the "Minimum Improvements") located on approximately 9.3 acres in the City's industrial park, adjacent to County Road 30 in the City, as legally described in Exhibit A attached hereto (the "Property").

1.02. On September 11, 2012, Itasca County (the "County") shall conduct a duly noticed public hearing on an abatement proposed to be provided by the County and will also consider granting the Developer an abatement.

1.03. This City Council has reviewed information concerning the above-referenced Minimum Improvements, including a Purchase and Development Contract (the "Development Agreement") containing a Business Subsidy Agreement (the "Subsidy Agreement") proposed to be entered into by the City, the County, the Developer, and the Grand Rapids Economic Development Authority ("GREDA"). The Development Agreement and the Subsidy Agreement are incorporated herein by reference.

1.04. On the date hereof, the City Council conducted a duly noticed public hearing on the Abatement proposed to be granted by the City and the business subsidy to be provided to the Developer pursuant to the Development Agreement. The views of all interested persons were heard at the public hearing.

Section 2. Findings.

2.01. The recitals set forth above are incorporated into this Resolution.

2.02. It is hereby found and determined that the benefits to the City from the Abatement will be at least equal to the costs to the City of the Abatement, because (a) the City believes that the development to be facilitated is not reasonably likely to occur absent the Abatement, and (b) the long-term taxes collected from the Property after termination of the Abatement will far exceed the amount of the Abatement returned to the Developer.

2.03. It is hereby found and determined that the Abatement is in the public interest because such action will increase the tax base and provide additional employment opportunities in the City.

2.04. It is further specifically found and determined that the Abatement is expected to result in the following public benefits:

- (a) Creation of an estimated \$1,206,330 increase in market value for property tax purposes, which will be available to all taxing jurisdictions after expiration of the Abatement.
- (b) Provision of a minimum of 15 new jobs in the City, including 9 jobs to be relocated to the City and 6 new jobs to be created in the City, as set forth in the Subsidy Agreement.
- (c) Facilitate future additional development of the surrounding properties within the City's industrial park.

Section 3. Actions Ratified; Abatement Approved; Development Agreement and Subsidy Agreement Approved.

3.01. The City Council hereby ratifies all actions of the City's staff and consultants in arranging for approval of this Resolution in accordance with the Act.

3.02. Subject to the provisions of the Act, the Abatement is hereby approved and adopted subject to the following terms and conditions:

- (a) The term "Abatement" means the real property taxes generated in any tax-payable year by extending the City's total tax rate for that year against the tax capacity of the Minimum Improvements and the Property in accordance with the Development Agreement, excluding the initial tax capacity of the land as of January 2, 2011 for tax-payable year 2012, and excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 276A.
- (b) The Abatement will be paid by the City to the Developer on the dates and in accordance with all the terms and conditions of the Development Agreement.
- (c) In accordance with Section 469.1813, subdivision 8 of the Act, in no year shall the Abatement, together with all other abatements approved by the City under the Act and paid in that year exceed the greater of 10% of the net tax capacity of the City for that year or \$200,000 (the "Abatement Cap"). The City may grant any other abatements permitted under the Act after the date of this Resolution, provided that to the extent the total abatements in any year exceed the Abatement Cap, the allocation of Abatement Cap to such other abatements is subordinate to the Abatement granted pursuant to this Resolution.
- (d) The Abatement shall commence in the first taxes payable year after the County Assessor's market value of the Property reflects the market value of the completed Minimum Improvements.
- (e) In no event shall the payment of Abatement to the Developer exceed \$182,548 (representing principal of \$133,500 plus annual interest at 3.0%) or continue to be paid for more than fifteen years.
- (f) The Abatement is subject to modification in accordance with the Act, subject to the terms of the Development Agreement.
- (g) In accordance with Section 469.1815 of the Act, the City will add to its levy in each year during the term of the Abatement the total estimated amount of current year Abatement granted under this Resolution.

(h) The City makes no warranties or representations regarding the amount or availability of the Abatement.

(i) The Abatement shall be provided to the Developer pursuant to the terms and conditions of the Development Agreement as approved by the City Council.

3.03. The Development Agreement and the Subsidy Agreement are hereby in all respects authorized, approved and confirmed and the Mayor, City Administrator, and City Clerk are hereby authorized and directed to execute and deliver the Development Agreement (which incorporates the Business Subsidy Agreement) for and on behalf of the City in substantially the form now on file with the City but with such modifications as shall be deemed necessary, desirable or appropriate, their execution thereof to constitute conclusive evidence of their approval of any and all modifications therein, subject to approval of the Development Agreement by the County and by GREDA.

Section 4. Implementation. The Mayor, the City Administrator, and the City Clerk are authorized and directed to execute and deliver any additional agreements, certificates or other documents that the City determines are necessary to implement this Resolution.

Section 5. Effective Date. This Resolution is effective upon execution in full of the Development Agreement.

Approved by the City Council of the City of Grand Rapids, Minnesota, this 10th day of September, 2012.

**CITY OF GRAND RAPIDS, MINNESOTA**

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

## EXHIBIT A TO ABATEMENT RESOLUTION

### THE PROPERTY

That part of Government Lot 3, Section 19, Township 55 North, Range 25 West, Itasca County, Minnesota described as follows:

COMMENCING at the northwest corner of said Government Lot 3; thence North 86 degrees 48 minutes 06 seconds East, assigned bearing, along the north line of said Government Lot 3, a distance of 190.35 feet to the northeast corner of the West 190.00 feet of said Government Lot 3; thence South 00 degrees 17 minutes, 11 seconds West, along the east line of said West 190.00 feet a distance of 505.94 feet; thence South 44 degrees 19 minutes 07 seconds East 409.82 feet; thence South 85 degrees 17 minutes 34 seconds East 432.64 feet; thence South 75 degrees 32 minutes 33 seconds East 150.27 feet to the point of beginning of the tract to be herein described; thence continue South 75 degrees 32 minutes 33 seconds East 148.89 feet; thence South 53 degrees 17 minutes 09 seconds East 339.36 feet to the east line of said Government Lot 3; thence North 02 degrees 03 minutes 08 seconds East, along said east line, 1186.71 feet to the northeast corner of said Government Lot 3; thence South 86 degrees 48 minutes 06 seconds West, along said north line, 459.43 feet to the intersection with a line bearing North 00 degrees 00 minutes 00 seconds East from said point of beginning; thence South 00 degrees 00 minutes 00 seconds West 920.26 feet to the point of beginning.

LESS AND EXCEPT that part of said Government Lot 3 described as follows:

BEGINNING at the northeast corner of said Government Lot 3; thence South 01 degrees 45 minutes 58 seconds West, bearing assumed, along the east line thereof, 630 feet, more or less, to intersect the northerly shore of the Mississippi River; thence southwesterly, along said shore to intersect the west line of the East 75.00 feet of said Government Lot 3; thence North 01 degrees 45 minutes 58 seconds East, along said west line, 622 feet, more or less, to intersect the north line of Government Lot 3; thence North 86 degrees 30 minutes 55 seconds East, along said north line a distance of 75.32 feet to the point of beginning.

Subject to easements, restrictions and reservations of record.

Third Draft, September 5, 2012

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**PURCHASE AND DEVELOPMENT CONTRACT**

**By and Between**

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

**and**

**CITY OF GRAND RAPIDS, MINNESOTA**

**and**

**ITASCA COUNTY, MINNESOTA**

**and**

**CUTSFORTH HOLDINGS, LLC**

**Dated as of:** \_\_\_\_\_

---

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This document was drafted by:

KENNEDY & GRAVEN, Chartered (MNI)

470 U.S. Bank Plaza

Minneapolis, Minnesota 55402

(612) 337-9300

<http://www.kennedy-graven.com>

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SCHEDULE E      Certificate of Completion

## PURCHASE AND DEVELOPMENT CONTRACT

THIS AGREEMENT, made as of the \_\_\_ day of September, 2012, by and between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota (the "Authority"), the City of Grand Rapids, a Minnesota municipal corporation (the "City"), Itasca County, a political subdivision of the State of Minnesota (the "County"), and Cutsforth Holdings, LLC, a Minnesota limited liability company (the "Developer").

WITNESSETH:

WHEREAS, GREDA was created pursuant to Minnesota Statutes, Sections 469.090 to 469.1081, as amended and was authorized to transact business and exercise its powers by a resolution of the City Council of the City of Grand Rapids (the "City"); and

WHEREAS, GREDA has undertaken a program to promote the development and redevelopment of land which is underutilized within the City, and in this connection created Development District No. 1 (hereinafter referred to as the "Development District") located in the City pursuant to the Act; and

WHEREAS, pursuant to the Act, GREDA is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the development of real property by private enterprise; and

WHEREAS, GREDA has acquired certain property described in Schedule A (the "Development Property") within the Development District, and intends to convey that property to the Developer for development of a manufacturing facility as described herein; and

WHEREAS, pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, as amended (the "Act") the City and County are authorized to abate property taxes in order to increase or preserve tax base and provide employment opportunities; and

WHEREAS, the Developer has requested tax abatement assistance under the Act, and the City and County have agreed to provide such assistance as described herein; and

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

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

## ARTICLE I

### Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Abatement Capacity” means the maximum amount of property taxes that may be abated in any year by a political subdivision under Section 469.1813, subd. 8 of the Act, as amended. As of the date of this Agreement, the Abatement Capacity for the City is the greater of 10% of the net tax capacity of the City for the taxes payable year to which the abatement applies or \$200,000. As of the date of this Agreement, the Abatement Capacity for the County is the greater of 10% of the net tax capacity of the County for the taxes payable year to which the abatement applies or \$200,000.

“Act” means Minnesota Statutes, Sections 469.1812 to 469.1815, as amended.

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

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

“Available Abatement” means, on each Payment Date, the sum of the City Tax Abatement and County Tax Abatement generated in the preceding six (6) months with respect to the Minimum Improvements and remitted to the City by the County, or such lesser amount as shall cause: (i) the cumulative City Tax Abatement paid to the Developer during the term of this Agreement to be no more than \$182,548, representing a principal amount of \$133,500 plus interest at the annual rate of 3.0%; (ii) the cumulative County Tax Abatement paid to the Developer during the term of this Agreement to be no more than \$125,321, representing a principal amount of \$91,500 plus interest at the annual rate of 3.0%; and (iii) the cumulative County Tax Abatement and City Tax Abatement paid to the Developer during the term of this Agreement to be no more than \$307,869, representing a principal amount of \$225,000 plus interest at the annual rate of 3.0%.

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

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

“City” means the City of Grand Rapids, Minnesota.

“City Abatement Resolution” means Resolution No. \_\_\_\_\_, approved by the City Council of the City on September 11, 2012, regarding abatement of property taxes on the Development Property.

“City Tax Abatement” means the real property taxes generated in any tax-payable year by extending the City’s total tax rate for that year against the tax capacity of the Minimum Improvements and the Property in accordance with the Development Agreement, excluding the initial tax capacity of the land as of January 2, 2011 for tax-payable year 2012, and excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 276A.

“Certificate of Completion” means the certification provided to the Developer pursuant to Section 4.4 of this Agreement.

"Construction Plans" means the plans, specifications, drawings and related documents on the construction work to be performed by the Developer on the Development Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) underground parking plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as GREDA may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Itasca, Minnesota.

“County Tax Abatement” means the real property taxes generated in any tax-payable year by extending the County’s total tax rate for that year against the tax capacity of the Minimum Improvements and the Property in accordance with the Development Agreement, excluding the initial tax capacity of the land as of January 2, 2011 for tax-payable year 2012, and excluding the portion of the tax capacity attributable to the areawide tax under Minnesota Statutes, Chapter 276A, and (ii) paid to the City by the County.

“County Abatement Resolution” means Resolution No. \_\_\_\_\_, adopted by the Board of Commissioners of the County on September 10, 2012, regarding abatement of property taxes on the Development Property.

“Developer” means Cutsforth Holdings, LLC, a Minnesota limited liability company, or its permitted successors and assigns.

"Development District" means the GREDA Development District.

“Development District Area” means the geographic area within the boundaries of the Development District.

“Development Program” means the Development Program for the Development District.

“Development Property” means the real property described in Schedule A of this Agreement.

“Event of Default” means an action by the Developer listed in Article IX of this Agreement.

“Grant Agreement” means the grant agreement between the IRRRB and the City described in Section 3.7(b) hereof, executed by the parties thereto.

“Grant-Eligible Costs” means the costs described in Section 3.7(a) hereof.

“GREDA” means the Grand Rapids Economic Development Authority.

“GREDA Representative” means the Executive Director of GREDA, or any person designated by the Executive Director to act as GREDA Representative for the purposes of this Agreement.

“Holder” means the owner of a Mortgage.

“IRRRB” means the Iron Range Resources and Rehabilitation Board.

“IRRRB Grant” means the grant described in Section 3.7(a) hereof.

“Maturity Date” has the meaning provided in Section 3.8 hereof.

“Minimum Improvements” means construction on the Development Property of an approximately 13,440 square-foot manufacturing facility and associated office space.

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

“Note” means the Taxable Limited Revenue Note, substantially in the form attached as Schedule D to this Agreement, to be issued by the City to the Developer.

“Payment Date” means each February 1 and August 1, commencing August 1 in the first taxes payable year after the County assessor’s market value of the Development Property reflects the completed Minimum Improvements; provided that if any such Payment Date is not a Business Day, the Payment Date shall be the next succeeding Business Day.

“State” means the state of Minnesota.

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

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

“Unavoidable Delays” means delays beyond the reasonable control of the party seeking to be excused as a result thereof which are the direct result of strikes, other labor troubles, prolonged adverse weather or acts of God, fire or other casualty to the Minimum Improvements, litigation commenced by third parties which, by injunction or other similar judicial action, directly results in delays, or acts of any federal, state or local governmental unit (other than GREDA or City in exercising their rights under this Agreement), including without limitation condemnation or threat of condemnation of any portion of the Development Property, which directly result in delays. Unavoidable Delays shall not include delays experienced by the Developer in obtaining permits or governmental approvals necessary to enable construction of the Minimum Improvements by the dates such construction is required under Section 4.3 of this Agreement, so long as the Construction Plans have been approved in accordance with Section 4.2 hereof.

## ARTICLE II

### Representations and Warranties

Section 2.1. Representations by GREDA. (a) GREDA is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the Act, GREDA has the power to enter into this Agreement and carry out its obligations hereunder.

(b) GREDA will use its best efforts to facilitate development of the Minimum Improvements, including but not limited to cooperating with the Developer in obtaining necessary administrative and land use approvals and construction financing pursuant to Section 7.1 hereof.

(c) The activities of GREDA are undertaken for the purpose of fostering the development of certain real property that is underutilized within the City, which will facilitate the development of this portion of the Development District Area by private enterprise, increase tax base, and increase employment opportunities.

Section 2.2. Representations by the City. (a) The City is a statutory city duly organized and existing under the laws of the State. Under the provisions of the Act, the City has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The City proposes to grant abatement of taxes on the Development Property and the Minimum Improvements thereon, for the purposes of increasing the tax base and creating employment opportunities within the City.

Section 2.3. Representations by the County. (a) The County is a political subdivision of the State, duly organized and existing under the laws of the State. Under the provisions of the Act, the County has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The County proposes to grant abatement of taxes on the Development Property and the Minimum Improvements thereon, for the purposes of increasing the tax base and creating employment opportunities within the City.

Section 2.4. Representations and Warranties by the Developer. The Developer represents and warrants that:

(a) The Developer is a limited liability company, duly organized and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its articles of organization or bylaws, is duly qualified as a foreign limited liability company and authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery, and performance of this Agreement by proper action of its members.



(b) If the Developer acquires the Development Property in accordance with this Agreement, the Developer will construct, operate and maintain the Minimum Improvements in accordance with the terms of this Agreement, the Development Program and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code, energy-conservation and public health laws and regulations).

(c) The Developer will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

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

(e) The Developer will obtain, in a timely manner, all required permits, licenses, and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

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

(g) The proposed development by the Developer hereunder would not occur but for the Abatement assistance being provided by the City hereunder.

## ARTICLE III

### Property Acquisition; Public Development Costs

Section 3.1. Conveyance of the Property. (a) GREDA owns the Development Property and will convey title to and possession of the Development Property to the Developer, subject to all the terms and conditions of this Agreement.

(b) The City and Authority will use their best efforts to obtain approval by the City Council before Closing of any amendment to the City zoning ordinance in order to permit construction of the Minimum Improvements on the Development Property.

Section 3.2. Purchase Price; Provisions for Payment. The purchase price to be paid to GREDA by the Developer in exchange for the conveyance of the Development Property shall be \$83,000. The parties agree and acknowledge that the Developer has placed \$500 as earnest money (the "Earnest Money") into an escrow account administered by a title company reasonably acceptable to GREDA (the "Title Company"), to be held and applied to the Purchase Price on the Closing Date. The balance of the Purchase Price shall be paid at Closing.

Section 3.3. Conditions of Conveyance. (a) GREDA shall convey title to and possession of the Development Property to the Developer by quit claim deed substantially in the form set forth on Schedule B to this Agreement (the "Deed"). GREDA's obligation to convey the Development Property to the Developer is subject to satisfaction of the following terms and conditions:

(1) GREDA having approved permanent financing for construction of the Minimum Improvements in accordance with Article VII hereof, and the Developer having closed on such permanent financing at or before Closing on transfer of title to the Development Property to the Developer.

(2) The City having approved all necessary zoning variances to the Development Property in accordance with Section 3.1.

(3) GREDA having approved Construction Plans for the Minimum Improvements in accordance with Section 4.3.

(4) The Developer having reviewed and approved (or waived objections to) title to the Development Property as set forth in Section 3.5.

(5) The Developer having reviewed and approved (or waived objections to) environmental conditions on the Development Property as set forth in Section 3.6.

(6) There is no uncured Event of Default under this Agreement.

Conditions (1), (3) and (6) are solely for the benefit of GREDA, and may be waived by GREDA. Conditions (4) and (5) are solely for the benefit of the Developer, and may be waived by the Developer. Condition (2) is for the benefit of all parties and may be waived by all parties.

(b) The closing on conveyance of the Development Property from GREDA to the Developer ("Closing") shall occur upon satisfaction of the conditions specified in this Section, but no later than October 31, 2012.

Section 3.4. Place of Document Execution, Delivery and Recording. (a) Unless otherwise mutually agreed by GREDA and the Developer, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made at the offices of GREDA or such other location to which the parties may agree.

(b) The Deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property. At closing, the Developer shall pay: all recording costs, including state deed tax, in connection with the conveyance of the Development Property; title insurance commitment fees and premiums, if any; and title company closing fees, if any. GREDA shall pay costs of recording any instruments used to clear title encumbrances; and any special assessments outstanding or levied against the Development Property as of the Closing Date. The parties agree and understand that the Development Property is exempt from property taxes for taxes payable in 2012, and is expected to be exempt for taxes payable in 2013.

Section 3.5. Title. (a) As soon as practicable after the date of this Agreement, the Developer, at Developer's sole expense, shall obtain a commitment for the issuance of a policy of title for the Development Property. The Developer shall have twenty (20) days from the date of its receipt of such commitment to review the state of title to the Development Property and to provide GREDA with a list of written objections to such title. Upon receipt of the Developer's list of written objections, GREDA shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Developer. In the event that GREDA has failed to cure objections within sixty (60) days after its receipt of the Developer's list of such objections, the Developer may by the giving of written notice to GREDA (i) terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, other than Developer's obligations under Section 3.10 hereof; or (ii) waive the objections and proceed to Closing. GREDA shall have no obligation to take any action to clear defects in the title to the Development Property, other than the good faith efforts described above.

(b) GREDA shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer.

(c) The Developer shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Developer expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Developer is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of Developer, its employees, officers, agents or consultants, including without limitation the Architect, Contractor and Developer's Engineer.

Section 3.6. Environmental Conditions. (a) The Developer acknowledges receipt of the information regarding environmental conditions on the Development Property set forth on Schedule C hereto. GREDA shall provide any additional information received by GREDA to Developer within 5 days of receipt by GREDA of such information. GREDA hereby grants to Developer and Developer's agents a license to enter and evaluate the Development Property for the purpose of conducting an environmental assessment. Further, the Developer or Developer's agent shall have the right pursuant to this license to bring persons and equipment onto the Development Property, make inspections and perform tests and analyses as Developer may deem reasonable to determine the presence of any toxic or hazardous waste, substance, or petroleum product or asbestos product, and ascertain soil conditions on the Development Property. The Developer shall bear the cost of the environmental assessment. If at least 20 days before Closing, Developer determines that hazardous waste or other pollutants as defined under federal and state law exist on the property, or that the soils are otherwise unsuitable for construction of the Minimum Improvements, Developer may at its option terminate this Agreement by giving written notice to GREDA, the City, and the County, upon receipt of which this Agreement shall be null and void and no party shall have any liability hereunder, except GREDA shall promptly return to Developer any earnest money and shall restore the Development Property to its original condition or nearly so as is reasonably practicable. The Developer, in any event, will provide to GREDA copies of all reports, reviews, tests or other environmental information obtained by Developer during the course of whatever investigation the Developer conducts, whether the Developer proceeds to closing or not.

(b) The Developer acknowledges that GREDA makes no representations or warranties as to the condition of the soils on the Development Property or the fitness of the Development Property for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property, and that the assistance provided to the Developer under this Agreement neither implies any responsibility by GREDA or the City for any contamination of the Development Property nor imposes any obligation on such parties to participate in any cleanup of the Development Property.

(c) Without limiting its obligations under Section 8.3 of this Agreement, the Developer further agrees that it will indemnify, defend, and hold harmless GREDA, the City, the County, and their governing body members, officers, and employees (the "Indemnified Parties"), from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants existing on or in the Development Property, which either (i) arise out of activities of Developer on the Development Property or (ii) arise out of hazardous substances, asbestos, petroleum substances, or pollutants, irritants or contaminants brought onto the Development Property by Developer. In addition, Developer agrees to release the Indemnified Parties from any and all costs, expenses, losses, liabilities, claims, causes of action, demands, and damages relating to the environmental conditions on the Development Property as of the Date of Closing, including without limitation any claim the Developer may have to recover from all or any of the Indemnified Parties any costs or expenses incurred by the Developer in performing any remediation of the Development Property. Nothing in this section will be construed to limit or affect any limitations on liability of the City, Authority, or County under State or federal law, including without limitation Minnesota Statutes Sections 466.04 and 604.02.

Section 3.7. Grant Disbursement. (a) To finance a portion of the costs (the “Grant-Eligible Costs”) of necessary site work on the Development Property, including engineering and soft costs for such site work (the “Grant-Eligible Activities”), the City has applied for and has received a grant from IRRRB in the amount of \$150,000 (the “IRRRB Grant”).

(b) The City will appoint the Authority as general contractor for the Grant-Eligible Activities on the Development Property and delegate to the Authority the submission and collection of Grant-Eligible Costs from and to the extent of available grant proceeds in accordance with the terms of the Grant Agreement and the terms of this Section. The Developer agrees that at Closing, it will grant a license to GREDA or its agents to enter the Development Property for the purpose of performing the Grant-Eligible Activities. Notwithstanding anything to the contrary herein, the Developer agrees and acknowledges that if Grant-Eligible Costs exceed the amount to be reimbursed under the Grant Agreement or this Section, such excess shall be the sole responsibility of the Developer as described in Section 3.7(h).

(c) All disbursements from the proceeds of the IRRRB Grant will be made subject to the conditions precedent that on the date of such disbursement:

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

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

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

(4) Developer has submitted, and the City has approved, Construction Plans for the Minimum Improvements in accordance with Article IV hereof.

(d) Whenever the Authority desires a disbursement to be made hereunder, which shall be no more often than bi-weekly, the Authority shall submit to the City a draw request duly executed on behalf of the Authority, accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by the Authority. Each draw request shall constitute a representation and warranty by the Authority that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request.

(e) If the Authority has performed all of its agreements and complied with all requirements to be performed or complied with hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the City shall make a disbursement to the

Authority in the amount of the requested disbursement or such lesser amount as shall be approved, within twenty Business Days after the date of the City's receipt of the draw request, or, if later, upon receipt of grant proceeds from the IRRRB.

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

(g) The City may, in its sole discretion, without notice to or consent from any other party, waive any or all conditions for disbursement set forth in this section. However, the making of any disbursement prior to fulfillment of any condition therefor shall not be construed as a waiver of such condition, and the City shall have the right to require fulfillment of any and all such conditions prior to authorizing any subsequent disbursement.

(h) All Grant-Eligible Costs incurred by the Authority in excess of grant proceeds available for such costs (the "Excess Costs") shall be paid to the Authority by the Developer within twenty Business Days after the date of receipt by the Developer of a final accounting by the Authority and City of all grant proceeds disbursed for Grant-Eligible Activities and the amount of such Excess Costs.

Section 3.8. Property Tax Abatement. (a) *Generally.* In furtherance of the objectives set forth in and subject to the terms and conditions of this Agreement, the City will issue the Note to the Developer in the principal amount of \$225,000 in substantially the form attached hereto as Schedule D. The Note shall be secured solely by Available Abatement, and the City and County each pledge City Tax Abatement and County Tax Abatement, respectively, to the debt service fund for the Note. The Note shall bear interest at the annual rate of 3.0%. Principal and accrued interest due and payable on the Note shall be paid on each Payment Date. Payments of principal and interest on the Note shall commence on August 1, 2015. The Note shall terminate on the earlier of the date that (i) the Developer has been reimbursed a principal amount not to exceed \$225,000 or (ii) February 1, 2030 (the "Maturity Date").

(b) *Limitations.* The pledge of Available Abatement is subject to all the terms and conditions of the City Abatement Resolution and the County Abatement Resolution. The Note is payable solely from and to the extent of the City Tax Abatement and County Tax Abatement, and nothing herein shall be construed to obligate the City or County to make payments from any other funds. The City and County make no warranties or representations as to the amount of the Available Abatement, or that amounts payable on the Note will be sufficient to pay all or any portion of the principal amount. Any estimates of Available Abatement amounts prepared by the City's financial consultants are for the benefit of the City only, and the Developer is not entitled to rely on such estimates.

The Developer further acknowledges that the total property tax abatements payable by the City in any year may not exceed the City's Abatement Capacity; and that the total property tax abatements payable by the County in any year may not exceed the County's Abatement Capacity. Neither the City nor the County warrants or represents that the City Tax Abatements or County Tax Abatements in the amounts pledged to the Note will be within the City's or County's

Abatement Capacity. The parties understand and agree that the City has no other tax abatement outstanding. The City's Abatement Volume Cap will be allocated first to the Abatement pledged under this Agreement, then to any future tax abatements granted under the Abatement Act. The parties further understand and agree that the Abatement is subject to the abatement granted by the County's Abatement Resolution No. 07-05-01, granting a tax abatement to certain property in the City for public infrastructure (the "Prior County Abatement"). The County's Abatement Volume Cap will be allocated first to the Prior County Abatement, then to the Abatement pledged under this Agreement, then to any future tax abatements granted under the Abatement Act.

(c) *Delivery.* The Note shall be delivered by the City to the Developer at Closing. The parties agree that consideration for delivery of the Note is Developer's obligation to complete the Project and meet the business subsidy goals in accordance with Section 3.9 of this Agreement. In the event of any inconsistency between the terms of this Agreement and the terms of the Note, the terms of the Note shall control.

Section 3.9. Business Subsidy Agreement. The provisions of this Section constitute the "business subsidy agreement" for the purposes of the Business Subsidy Act.

(a) *General Terms.* The parties agree and represent to each other as follows:

(1) The subsidy provided to the Developer consists of the principal amount of the Note described in Section 3.8 and payable from the City Tax Abatement and the County Tax Abatement.

(2) The public purposes of the subsidy are to facilitate development of a manufacturing facility, and to increase the tax base and provide employment opportunities in the City.

(3) The goals for the subsidy are: to secure development of the Minimum Improvements on the Development Property; to maintain such improvements as a manufacturing facility for at least five years as described in clause (6) below; and to create the jobs and wage levels described in paragraph (b) of this Section.

(4) If the goals described in clause (3) are not met, the Developer must make the payments to the City described in Section 3.9(c).

(5) The subsidy is needed to induce Developer to relocate its business at this site, thus preserving and enhancing job and tax base growth for the City and County. The Developer operates an existing facility in the State at a site that cannot accommodate expansion. But for the subsidy provided in this Agreement, the expansion would likely occur elsewhere.

(6) The Developer must continue operation of the Minimum Improvements as a "Qualified Facility" for at least five years after the Benefit Date (defined hereinafter), subject to the continuing obligation described in Section 10.3 of this Agreement. For the purposes of this Section, the term Qualified Facility means a manufacturing facility of motor

and generator parts. The improvements will be a Qualified Facility as long as the Minimum Improvements are operated by Developer or a tenant for the aforementioned qualified uses. During any period when the Minimum Improvements are vacant and not operated for the aforementioned qualified uses, the Minimum Improvements will not constitute a Qualified Facility.

(7) The Developer does not have a parent corporation.

(8) The Developer has not received, and does not expect to receive financial assistance from any other “grantor” as defined in the Business Subsidy Act, in connection with the Development Property or the Minimum Improvements.

(b) *Job and Wage Goals.* Within two years after the date of issuance of the certificate of completion of the Minimum Improvements described in Section 4.4 (the “Compliance Date”), the Developer shall cause to be relocated to the City at least 9 full-time equivalent jobs, and shall cause to be created at least 6 additional full-time equivalent jobs (2,800 hours annually) in the Minimum Improvements, and shall cause the wages for such additional jobs to be no less than \$12.50 per hour, excluding benefits. Notwithstanding anything to the contrary herein, if the wage and job goals described in this paragraph are met by the Compliance Date, those goals are deemed satisfied despite the Developer’s continuing obligations under Sections 3.9(a)(6) and 3.3(d). The City may, after a public hearing, extend the Compliance Date by up to one year, provided that nothing in this section will be construed to limit the City’s legislative discretion regarding this matter.

(c) *Remedies.* If the Developer fails to meet the goals described in Section 3.9(a)(3), the Developer shall repay to the City upon written demand from the City a “pro rata share” of prior payments under the Note, if any, together with interest on such amounts at the rate described in Section 116J.994, subd. 6 of the Business Subsidy Act, accrued from the date of each payment made on the Note to the date of repayment. The term “pro rata share” means a percentage calculated as follows:

(i) if the failure relates to the number of jobs, the jobs required less the jobs created, divided by the jobs required;

(ii) if the failure relates to wages, the number of jobs required less the number of jobs that meet the minimum wages, divided by the number of jobs required

(iii) if the failure relates to maintenance of the Minimum Improvements in accordance with Section 3.9(a)(6), 60 less the number of months of operation as a rehabilitation and fitness center, commencing on the date of the certificate of completion and ending with the date the facility ceases operation as determined by City staff, divided by 60; and

(iv) if more than one of clauses (i) through (iii) apply, the sum of the applicable percentages, not to exceed 100%.



Any amounts received under this Section by the City shall be distributed between the City and the County based on the pro rata amounts of City Tax Abatement and County Tax Abatement that have been paid to Developer or its assigns as payments of principal and interest under the Note. Promptly upon receipt of any repayment by the Developer, the City will remit to the County any amount attributable to County Tax Abatements. Nothing in this Section shall be construed to limit the City's or County's remedies under Article IX hereof. In addition to the remedy described in this Section and any other remedy available to the City or County for failure to meet the goals stated in Section 3.9(a)(3), the Developer agrees and understands that it may not receive a business subsidy from the City, the County, or any other grantor (as defined in the Business Subsidy Act) for a period of five years from the date of the failure or until the Developer satisfies its repayment obligation under this Section, whichever occurs first.

(d) *Reports.* The Developer must submit to the City a written report regarding business subsidy goals and results by no later than February 1 of each year, commencing February 1, 2013 and continuing until the later of (i) the date the goals stated Section 3.9(a)(3) are met; (ii) 30 days after expiration of the period described in Section 3.9(a)(6); or (iii) if the goals are not met, the date the subsidy is repaid in accordance with Section 3.9(c). The report must comply with Section 116J.994, subdivision 7 of the Business Subsidy Act. The City will provide information to the Developer regarding the required forms. If the Developer fails to timely file any report required under this Section, the City will mail the Developer a warning within one week after the required filing date. If, after 14 days of the postmarked date of the warning, the Developer fails to provide a report, the Developer must pay to the City a penalty of \$100 for each subsequent day until the report is filed. The maximum aggregate penalty payable under this Section \$1,000. The City agrees with the County that the City will file, on behalf of both entities, any reports required to be filed with the State under the Business Subsidy Act.

Section 3.10. Payment of Administrative Costs. The Developer agrees that it will pay, within 15 days after written notice from the City, the reasonable costs of consultants and attorneys retained by the City, the County, or GREDA in connection with the Abatement and the negotiation in preparation of this Agreement and other incidental agreements and documents related to the development contemplated hereunder. The City will provide written reports describing the costs accrued under this Section upon request from the Developer, but not more often than intervals of 45 days. Any amount deposited by the Developer upon filing its application for Abatement assistance with GREDA will be credited to the Developer's obligation under this Section. Upon termination of this Agreement in accordance with its terms, the Developer remains obligated under this section for costs incurred through the effective date of termination.

Section 3.11. Option to Purchase. For a period of two years after the date of this Agreement (the "Negotiation Period"), the Developer shall have the option to purchase certain property adjacent to the Development Property and described on Schedule A as the "GREDA Property" (the "Option"), as provided in this Section. During the Negotiation Period, GREDA agrees that if it receives any bona fide offer from a third party to purchase the GREDA Property, it will present the terms of such offer to the Developer in writing, and the Developer shall have the right to exercise its Option on the same terms as such offer. If the Developer does not give written notice of its intention to exercise its Option within fifteen Business Days after receipt of such terms from GREDA, the Developer will be deemed to have declined to exercise the Option and GREDA

shall have the right to convey the GREDA Property to such third party. The Developer shall not assign or transfer its rights under this Section in full or in part without the prior written consent of GREDA.

## ARTICLE IV

### Construction of Minimum Improvements

Section 4.1. Construction of Improvements. The Developer agrees that it will construct or cause construction of the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and that it will, during any period while the Developer retains ownership of any portion of the Minimum Improvements, operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. (a) Before commencing construction of the Minimum Improvements, the Developer shall submit to the City Construction Plans for the Minimum Improvements. The Construction Plans shall provide for the construction of the Minimum Improvements and shall be in conformity with this Agreement, the Development Program and all applicable State and local laws and regulations. The City will approve the Construction Plans in writing if (i) the Construction Plans conform to all terms and conditions of this Agreement; (ii) the Construction Plans conform to the goals and objectives of the Development Program; (iii) the Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) the Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to the Developer for construction of the Minimum Improvements; and (vi) no Event of Default has occurred. No approval by the City shall relieve the Developer of the obligation to comply with the terms of this Agreement, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the City shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by the Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the City, in whole or in part. Such rejections shall set forth in detail the reasons therefor based upon the criteria set forth in (i) through (vi) above, and shall be made within 20 days after the date of receipt of final plans from the Developer. If the City rejects any Construction Plans in whole or in part, the Developer shall submit new or corrected Construction Plans within twenty (20) days after written notification to the Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the City. The City's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the City's satisfaction with the provisions of this Agreement relating thereto.

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

(b) If the Developer desires to make any material change in the Construction Plans or any component thereof after their approval by the City, the Developer shall submit the proposed change to the City for its approval. For the purpose of this section, the term “material” means changes that increase or decrease construction costs by \$500,000 or more. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the City shall approve the proposed change and notify the Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the City unless rejected, in whole or in part, by written notice by the City to the Developer, setting forth in detail the reasons therefor. Such rejection shall be made within 10 days after receipt of the notice of such change. The City’s approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. (a) Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements by October 15, 2012. Subject to Unavoidable Delays, the Developer shall complete the construction of the Minimum Improvements by March 1, 2013. All work with respect to the Minimum Improvements to be constructed or provided by the Developer on the Development Property shall be in conformity with the Construction Plans as submitted by the Developer and approved by the City.

(b) The Developer agrees for itself, its successors, and assigns, and every successor in interest to the Development Property, or any part thereof, that the Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced and completed within the period specified in this Section 4.3 of this Agreement. After the date of this Agreement and until the Minimum Improvements have been fully leased, the Developer shall make reports, in such detail and at such times as may reasonably be requested by the City, but no more than monthly, as to the actual progress of the Developer with respect to such construction and leasing.

Section 4.4. Certificate of Completion. (a) Promptly after completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of the Developer to construct the Minimum Improvements (including the dates for beginning and completion thereof), the City Representative shall deliver to the Developer a Certificate in substantially the form shown as Schedule E, in recordable form and executed by the City.

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

(c) The construction of the Minimum Improvements shall be deemed to be substantially complete upon issuance of a certificate of occupancy for the Minimum Improvements, and upon

determination by the City Representative that all related site improvements on the Development Property have been substantially completed in accordance with approved Construction Plans.

Section 4.5. Records. GREDA, the City, and the County, through any authorized representatives, shall have the right at all reasonable times after reasonable notice to inspect, examine and copy all books and records of Developer relating to the Minimum Improvements. Such records shall be kept and maintained by Developer through the Maturity Date.

## ARTICLE V

### Insurance

Section 5.1. Insurance. (a) The Developer will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the City, furnish the City with proof of payment of premiums on policies covering the following:

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

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

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

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

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

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

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

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer that are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the City policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the City at least 30 days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the City a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

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

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

A failure to promptly repair, reconstruct and restore the Minimum Improvements as required by this Section 5.1(d) will be considered an Event of Default under this Agreement and the City and/or the County may suspend payments on the Note or exercise any other remedies provided in Section 9.2 hereof.

(e) All of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

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

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## ARTICLE VI

### Abatement; Taxes

Section 6.1. Right to Collect Delinquent Taxes. The Developer acknowledges that the City and County are providing substantial aid and assistance in furtherance of the development through issuance of the Note. The Developer understands that the City Tax Abatement and County Tax Abatement pledged to the Note are derived from real estate taxes on the Development Property, which taxes must be promptly and timely paid. To that end, the Developer agrees for itself, its successors and assigns, that in addition to the obligation pursuant to statute to pay real estate taxes, it is also obligated by reason of this Agreement to pay before delinquency all real estate taxes assessed against the Development Property and the Minimum Improvements. The Developer acknowledges that this obligation creates a contractual right on behalf of the City to sue the Developer or its successors and assigns to collect delinquent real estate taxes and any penalty or interest thereon and to pay over the same as a tax payment to the County auditor. In any such suit, the City shall also be entitled to recover its costs, expenses and reasonable attorney fees.

Section 6.2. Reduction of Taxes. The Developer agrees that prior to the Maturity Date it will not cause a reduction in the real property taxes paid in respect of the Development Property through: (A) willful destruction of the Development Property or any part thereof; or (B) willful refusal to reconstruct damaged or destroyed property pursuant to Section 5.1 of this Agreement, except as provided in Section 5.1(e). The Developer also agrees that it will not, prior to the Maturity Date, seek exemption from property tax for the Development Property or any portion thereof or transfer or permit the transfer of the Development Property to any entity that is exempt from real property taxes and state law, or apply for a deferral of property tax on the Development Property pursuant to any law. The Developer's failure to comply with this Section 6.2 shall not be considered an Event of Default hereunder if the Developer pays to the City all of the City Tax Abatements paid to the Developer as payments on the Note and the Developer pays to the County all of the County Tax Abatement paid to the Developer as payments on the Note. Following such repayment of both the City Tax Abatements and the County Tax Abatement, this Agreement shall be terminated.



## ARTICLE VII

### Other Financing

Section 7.1. Generally. Before Closing, the Developer shall submit to GREDA and the City or provide access thereto for review by GREDA and City staff, consultants and agents, evidence reasonably satisfactory to GREDA and the City that Developer has available funds, or commitments to obtain funds, whether in the nature of mortgage financing, equity, grants, loans, or other sources sufficient for paying the cost of the developing the Minimum Improvements, provided that any lender or grantor commitments shall be subject only to such conditions as are normal and customary in the commercial lending industry.

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

Section 7.3. Modification; Subordination. If the Developer requires mortgage financing for the development of the Minimum Improvements, the City and the County agree to subordinate their rights under this Agreement to the Holder of any Mortgage securing construction or permanent financing and the City and the County agree to consent to such subordination, in accordance with the terms of a subordination agreement in such form as the City and the County approve in writing.

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## ARTICLE VIII

### Prohibitions Against Assignment and Transfer; Indemnification

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

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

(a) Except only by way of security for, and only for, the purpose of obtaining financing necessary to enable the Developer or any successor in interest to the Development Property, or any part thereof, to perform its obligations with respect to undertaking the development contemplated under this Agreement, and any other purpose authorized by this Agreement, the Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity whether or not related in any way to the Developer (collectively, a "Transfer"), without the prior written approval of the City (whose approval will not be unreasonably withheld, subject to the standards described in paragraph (b) of this Section) unless the Developer remains liable and bound by this Development Agreement in which event the City's approval is not required. Any such Transfer shall be subject to the provisions of this Agreement. For the purposes of this Agreement, the term Transfer does not include (i) acquisition of a controlling interest in Developer by another entity or merger of Developer with another entity; or (ii) any sale, conveyance, or transfer in any form to any Affiliate.

(b) In the event the Developer, upon Transfer of the Development Property or any portion thereof either before or after issuance of the Certificate of Completion, seeks to be released from its obligations under this Development Agreement as to the portion of the Development Property that is transferred, the City shall be entitled to require, except as otherwise provided in the Agreement, as conditions to any such release that:

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

(ii) Any proposed transferee, by instrument in writing satisfactory to the City and in form recordable in the public land records of the County, shall, for itself and its successors and assigns, and expressly for the benefit of the City, have expressly assumed all of the obligations of the Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and

restrictions to which the Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the City) deprive the City of any rights or remedies or controls with respect to the Development Property, the Minimum Improvements or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally, or practically, to deprive or limit the City of or with respect to any rights or remedies on controls provided in or resulting from this Agreement with respect to the Development Property that the City would have had, had there been no such transfer or change. In the absence of specific written agreement by the City to the contrary, no such transfer or approval by the City thereof shall be deemed to relieve the Developer, or any other party bound in any way by this Agreement or otherwise with respect to the Development Property, from any of its obligations with respect thereto.

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

In the event the foregoing conditions are satisfied then the Developer shall be released from its obligation under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. The restrictions under this Section terminate upon issuance of the Certificate of Completion.

Section 8.3. Release and Indemnification Covenants. (a) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties as hereinafter defined, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Developer releases from and covenants and agrees that GREDA, the City, the County, and the governing body members, officers, agents, servants, and employees thereof (the "Indemnified Parties") shall not be liable for and agrees to indemnify and hold harmless the Indemnified Parties against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Development Property or the Minimum Improvements.

(b) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement (including without limitation any failure by the City or County to perform any procedure required under law in connection with the Abatement), the Developer agrees to protect and defend the Indemnified Parties, now and forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action, or other proceeding whatsoever by any person or entity whatsoever arising or purportedly arising from this Agreement, or the

transactions contemplated hereby or the acquisition, construction, installation, ownership, maintenance, and operation of the Development Property.

(c) Except for any willful misrepresentation or any willful or wanton misconduct or negligence of the Indemnified Parties as hereinafter defined, and except for any breach by any of the Indemnified Parties of their obligations under this Agreement, the Indemnified Parties shall not be liable for any damage or injury to the persons or property of the Developer or its officers, agents, servants, or employees or any other person who may be about the Development Property or Minimum Improvements.

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

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## ARTICLE IX

### Events of Default

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement, any one or more of the following events, after the non-defaulting party provides thirty (30) days written notice to the defaulting party of the event, but only if the event has not been cured within said thirty (30) days or, if the event is by its nature incurable within thirty (30) days, the defaulting party does not, within such thirty- (30-) day period, provide assurances reasonably satisfactory to the party providing notice of default that the event will be cured and will be cured as soon as reasonably possible:

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

(b) If, before issuance of the certificate of completion for all the Minimum Improvements, the Developer shall

(i) file any petition in bankruptcy or for any reorganization, arrangement, composition, readjustment, liquidation, dissolution, or similar relief under the United States Bankruptcy Act or under any similar federal or State law, which action is not dismissed within sixty (60) days after filing; or

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

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

(iv) be adjudicated a bankrupt or insolvent.

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

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

(b) Upon a default by the Developer under this Agreement, the City may terminate its obligations under the Agreement and the Note, provided that:

(i) if the City terminates its obligations under the Agreement, it shall have no obligation to make payments of City Tax Abatements under the Note; however, the City will continue to make payments of County Tax Abatements toward the principal amount of the Note if the County has not terminated its obligations under the Agreement;

(ii) if the County terminates its obligations under the Agreement, it shall have no further obligations to make payments of County Tax Abatements to the City hereunder, and the City shall have no obligation to make payments under the Note from such funds;

(iii) if both the City and the County terminate their obligations hereunder, respectively, this Agreement and the Note shall be deemed terminated and the City shall have no further obligations thereunder. Except as otherwise provided in Section 3.9(c), the City may not terminate its obligations to make payments under the Note unless both the City and the County have terminated their obligations hereunder.

(c) Take whatever action, including legal, equitable, or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 9.3. Revesting Title in GREDA Upon Happening of Event Subsequent to Conveyance to Developer. In the event that subsequent to conveyance of the Development Property to Developer and prior to completion of construction of the Minimum Improvements (evidenced by a Certificate of Completion described in Section 4.4):

(a) Developer, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 90 days after written notice from GREDA to Developer to do so; or

(b) Developer fails to pay real estate taxes or assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen's or mechanics' lien, or any other unauthorized encumbrance or lien to attach, and such taxes or assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to GREDA made for such payment, removal, or discharge, within thirty (30) days after written demand by GREDA to do so; provided, that if Developer first notifies GREDA of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event GREDA shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest Developer shall keep GREDA informed respecting the status of such defense; or

(c) there is, in violation of the Agreement, any Transfer of the parcel in violation of the terms of Section 8.2, and such violation is not cured within sixty (60) days after written demand by GREDA to Developer, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to GREDA that the event will be cured as soon as reasonably possible; or

(d) Developer fails to comply with any of its other covenants under this Agreement related to the Minimum Improvements and fails to cure any such noncompliance or breach within thirty (30) days after written demand from GREDA to Developer to do so, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to GREDA that the event will be cured as soon as reasonably possible; or

(e) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of GREDA hereunder;

Then GREDA shall have the right to re-enter and take possession of the parcel to which the default relates and to terminate (and revest in GREDA) the estate conveyed by the deed to Developer as to that parcel, subject to all intervening matters, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the parcel to Developer shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Developer and failure on the part of Developer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, GREDA at its option may declare a termination in favor of GREDA of the title, and of all the rights and interests in and to the parcel conveyed to Developer, and that such title and all rights and interests of Developer, and any assigns or successors in interest to and in the parcel, shall revert to GREDA, but only if the events stated in Section 9.3(a)-(e) have not been cured within the time periods provided above. Notwithstanding anything to the contrary herein, in the event the Development Property has been replatted as part of other parcels as of the date of GREDA's exercise of its rights under this Section, Developer will cooperate with GREDA in obtaining any subdivision necessary to revest in GREDA title to the applicable GREDA Parcel.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the revesting in GREDA of title to and/or possession of the parcel or any part thereof as provided in Section 9.3, GREDA shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as GREDA shall find feasible and consistent with the objectives of such law and of the Development Program to a qualified and responsible party or parties (as determined by GREDA) who will assume the obligation of making or completing the Minimum Improvements as shall be satisfactory to GREDA in accordance with the uses specified for such parcel or part thereof in the Development Program. During any time while GREDA has title to and/or possession of a parcel obtained by reverter, GREDA will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse GREDA for all costs and expenses incurred by them, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the parcel (but less any income derived by GREDA from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by GREDA, an amount, if paid, equal to such taxes, assessments, or charges (as determined by GREDA assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of revesting of title thereto in GREDA or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements

or any part thereof on the parcel or part thereof; and any amounts otherwise owing GREDA by Developer and its successor or transferee; and

(b) Second, to reimburse Developer, its successor or transferee, up to the amount equal to (1) the purchase price paid by Developer under Section 3.2 with respect to the parcel revested; plus (2) the amount actually invested by it in making any of the subject improvements on the parcel or part thereof.

Any balance remaining after such reimbursements shall be retained by GREDA as its property.

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to any party is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. To entitle GREDA to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by any party and thereafter waived by the other parties, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach hereunder.

Section 9.7. Attorney Fees. Whenever any Event of Default occurs and if the non-defaulting parties employ attorneys or incurs other expenses for the collection of payments due or to become due or for the enforcement of performance or observance of any obligation or agreement on the part of the defaulting party under this Agreement, the defaulting party shall, within ten (10) days of written demand by the non-defaulting parties, pay to the non-defaulting parties the reasonable fees of such attorneys and such other expenses so incurred by the non-defaulting parties.

(The remainder of this page is intentionally left blank.)



## ARTICLE X

### Additional Provisions

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

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

Section 10.3. Restrictions on Use. The Developer agrees that until the Maturity Date, the Developer, and such successors and assigns, shall devote the Development Property to the operation of the Minimum Improvements as described in Section 4.1 hereof, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by any party to the others shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally, to the following addresses (or to such other addresses as any party may notify the others):

To Developer: Cutsforth Holdings, LLC  
Attn: Jim Carlstrom  
37837 Rock Haven Road  
Cohasset, MN 55721

To GREDA: Grand Rapids EDA  
Attn: Executive Director  
420 Pokegama Avenue North  
Grand Rapids, Minnesota 55744

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

To the County: Itasca County  
Attn: County Administrator  

---

Grand Rapids, Minnesota 55744

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. GREDA may record this Agreement and any amendments thereto with the Itasca County recorder. The Developer shall pay all costs for recording. The Developer's obligations under this Agreement are covenants running with the land for the term of this Agreement, enforceable by GREDA against the Developer, its successor and assigns, and every successor in interest to the Development Property, or any part thereof or any interest therein.

Section 10.9 Amendment. This Agreement may be amended only by written agreement approved by GREDA, the City, the County, and the Developer.

Section 10.10. City, County, or GREDA Approvals. Unless otherwise specified, any approval required by the City, the County, or GREDA under this Agreement may be given by the GREDA Representative, except that final approval of the City Tax Abatement shall be made by the City Council of the City and final approval of the County Tax Abatement shall be made by the Board of Commissioners of the County.

(The remainder of this page is intentionally left blank.)



CITY OF GRAND RAPIDS, MINNESOTA

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

STATE OF MINNESOTA    )  
                                  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012  
by \_\_\_\_\_ and \_\_\_\_\_, the Mayor and City Administrator of the City  
of Grand Rapids, Minnesota, on behalf of the City.

\_\_\_\_\_  
Notary Public

ITASCA COUNTY, MINNESOTA

By \_\_\_\_\_  
Its Board Chair

By \_\_\_\_\_  
Its County Administrator

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012  
by \_\_\_\_\_ and \_\_\_\_\_, the Board Chair and County Administrator of  
the Itasca County, Minnesota, on behalf of the County.

\_\_\_\_\_  
Notary Public

**CUTSFORTH HOLDINGS, LLC**

By \_\_\_\_\_  
Its \_\_\_\_\_

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF ITASCA    )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2012,  
by \_\_\_\_\_, the \_\_\_\_\_ of Cutsforth Holdings, LLC, a  
Minnesota limited liability company, on behalf of the company.

\_\_\_\_\_  
Notary Public

**SCHEDULE A**

**DEVELOPMENT PROPERTY AND GREDA PROPERTY**

## SCHEDULE B

### FORM OF QUIT CLAIM DEED

THIS INDENTURE, between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the state of Minnesota (the "Grantor"), and Cutsforth Holdings, LLC, a Minnesota limited liability company (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of \$83,000 and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Itasca and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

#### SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor, the City of Grand Rapids, Minnesota (the "City") and Grantee on the \_\_\_\_\_ day of \_\_\_\_\_, 2012, identified as "Purchase and Development Contract" (hereafter referred to as the "Agreement") and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for the purchase of the Property hereby conveyed or for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion



thereof. Such certifications and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, Itasca County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

## SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

## SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or

any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Grand Rapids, and state and federal laws and regulations in so far as they affect this real estate.

(b) [Others]

Grantor certifies that it does not know of any wells on the Property.



**SCHEDULE C**  
**ENVIRONMENTAL REPORTS**

**SCHEDULE D**

**FORM OF NOTE**

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

No. R-1

\$ \_\_\_\_\_

**TAXABLE LIMITED REVENUE NOTE  
SERIES \_\_\_\_\_**

Interest Rate:  
4.0%

Date of  
Original Issue

\_\_\_\_\_

The City of Grand Rapids, Minnesota (the "Issuer"), hereby acknowledges itself to be indebted and, for value received, promises to pay to the order of Cutsforth Holdings, LLC, or registered assigns (the "Owner"), solely from the source, to the extent and in the manner hereinafter provided, the principal sum in an amount not to exceed \$225,000, together with interest at the rate of 4.0% per annum. This Note is given in accordance with that certain Contract for Private Development between the Issuer, Itasca County (the "County"), the Grand Rapids Economic Development Authority, and the Owner dated as of \_\_\_\_\_, 2012 (the "Contract"). Capitalized terms used and not otherwise defined herein shall have the meaning provided for such terms in the Contract unless the context clearly requires otherwise.

Payments of principal and accrued interest on this Note (each a "Payment") shall be payable in semi-annual installments payable on each February 1 and August 1, (the "Payment Dates") commencing August 1, 20\_\_ and ceasing no later than February 1, 20\_\_ (the "Final Maturity Date"), each Payment being in the amount of Available Abatement, as defined herein. Payments are subject to prepayment at the option of the Issuer in whole or in part on any date after the date of original issue.

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

Payments on this Note are payable solely from "Available Abatement," which shall mean, on each Payment Date, the sum of the City Tax Abatements and County Tax Abatements generated in the preceding six (6) months with respect to the Development Property and remitted to the Issuer by the County. The pledge of Available Abatement is subject to all the terms and conditions of the City Abatement Resolution, the County Abatement Resolution and the Contract.

The Issuer shall have no obligation to make any Payment on any Payment Date if, as of such date there has occurred and is continuing any Event of Default on the part of the Owner as defined in the Contract. If the Event of Default is thereafter cured in accordance with the Agreement, the City Tax Abatement and County Tax Abatement as of such Payment Date shall be deferred and paid on the next

Payment Date after the Event of Default is cured. If an Event of Default is not timely cured and either the City or the County elects to terminate their respective obligations under the Contract, the Issuer shall have no further obligations to make Payments hereunder from City Tax Abatement or County Tax Abatement, as the case may be. If an Event of Default is not timely cured and both the Issuer and County terminate their respective obligations under the Contract, the Contract and the Note shall be deemed terminated and the Issuer shall have no further obligations hereunder. Except as otherwise provided in Section 3.9(c) of the Contract, the Issuer may not terminate the Note unless the Issuer and the County have terminated their obligations under the Contract.

This Note shall terminate and be of no further force and effect as of the earlier of: (1) the last Payment Date; (2) the date the Payments shall have been paid in full; or (3) the date the Contract and the Note have been terminated in accordance with the Contract. The Issuer makes no representation or covenant, express or implied, that the City Tax Abatement or the County Tax Abatement will be sufficient to pay, in whole or in part, the amounts which are or may become due and payable hereunder. The Issuer shall have no obligation to pay any portion of the Payments that remains unpaid after February 1, 20\_\_.

Any estimates of Abatement prepared by the Issuer, the County or their respective financial advisors in connection with the Available Abatement and the Contract are for the benefit of the Issuer and County only, and are not intended as representations on which the Developer may rely.

THE ISSUER AND THE COUNTY MAKE NO REPRESENTATIONS OR WARRANTIES THAT THE AVAILABLE ABATEMENT WILL BE SUFFICIENT TO PAY THE PRINCIPAL OF OR INTEREST ON THIS NOTE.

This Note is issued pursuant to Minnesota Statutes, Sections 469.1812 to 469.1815, and pursuant to the resolution of the Issuer adopted on \_\_\_\_\_, 2012 (the "Resolution") duly adopted by the Issuer pursuant to and in full conformity with the Constitution and laws of the State of Minnesota. This Note is a limited obligation of the Issuer, payable solely from moneys pledged to the payment of the Note under the Resolution. The Note shall not be deemed to constitute a general obligation of the State of Minnesota, or any political subdivision thereof, including, without limitation, the Issuer and the County. Neither the State of Minnesota, nor any political subdivision thereof, including, without limitation, the Issuer and the County, shall be obligated to pay the principal of or interest on this Note or other costs incident hereto except from the revenues and receipts pledged therefor, and neither the full faith and credit nor the taxing power of the State of Minnesota or any political subdivision thereof, including, without limitation, the Issuer, is pledged to the payment of the principal of or interest on this Note or other costs incident hereto.

This Note is issuable only as a fully registered note without coupons. This Note is transferable upon the books of the Issuer kept for that purpose at the principal office of the Registrar, by the Owner hereof in person or by such owner's attorney duly authorized in writing, upon surrender of this Note together with a written instrument of transfer satisfactory to the Issuer, duly executed by the Owner. Upon such transfer or exchange and the payment by the Owner of any tax, fee, or governmental charge required to be paid by the Issuer with respect to such transfer or exchange, there will be issued in the name of the transferee a new Note of the same aggregate principal amount, bearing interest at the same rate, and maturing on the same dates.

This Note shall not be transferred to any person or entity unless the Issuer has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the Issuer, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws. Transfer of the ownership of this Note to a person other than one permitted by this

paragraph without the written consent of the Issuer shall relieve the Issuer of all of its obligations under this Note.

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

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

**CITY OF GRAND RAPIDS, MINNESOTA**

By \_\_\_\_\_  
Its Mayor

By \_\_\_\_\_  
Its City Administrator

**REGISTRATION PROVISIONS**

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

<u>Date of Registration</u>	<u>Registered Owner</u>	<u>Signature of Finance Director</u>
_____	Cutsforth Holdings, LLC Federal ID # _____	_____



**SCHEDULE E**

**CERTIFICATE OF COMPLETION**

WHEREAS, the Grand Rapids Economic Development Authority, the City of Grand Rapids, Minnesota (the "City"), Itasca County, Minnesota, and Cutsforth Holdings, LLC ("Developer") entered into a certain Purchase and Development Contract dated \_\_\_\_\_, 2012 ("Contract"), filed as Document No. \_\_\_\_\_ at the office of the County Recorder; and

WHEREAS, the Contract contains certain covenants and restrictions set forth in Articles III and IV thereof related to completing certain Minimum Improvements; and

WHEREAS, the Developer has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the City to permit the execution and recording of this certification;

NOW, THEREFORE, this is to certify that all construction and other physical improvements related to the Minimum Improvements specified to be done and made by the Developer have been completed and the agreements and covenants in Articles III and IV of the Contract have been performed by the Developer, and this Certificate is intended to be a conclusive determination of the satisfactory termination of the covenants and conditions of Articles III and IV of the Contract related to completion of the Minimum Improvements, but any other covenants in the Contract shall remain in full force and effect.

Dated: \_\_\_\_\_, 20\_\_.

CITY OF GRAND RAPIDS, MINNESOTA

By \_\_\_\_\_  
City Representative

STATE OF MINNESOTA    )  
  ) SS.  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_  
by \_\_\_\_\_, the \_\_\_\_\_ of the City of Grand Rapids, Minnesota,  
on behalf of the City.

\_\_\_\_\_  
Notary Public

This document drafted by:

Kennedy & Graven, Chartered  
470 U.S. Bank Plaza  
Minneapolis, MN 55402



# CITY OF GRAND RAPIDS

## Legislation Details (With Text)

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**File #:** 12-0585      **Version:** 1      **Name:** VERIFIED CLAIMS  
**Type:** Agenda Item      **Status:** Verified Claims  
**File created:** 9/5/2012      **In control:** Finance  
**On agenda:** 9/10/2012      **Final action:**  
**Title:** Consider approving the verified claims for the period August 21, 2012 to August 31, 2012 in the total amount of \$1,023,680.12.

Requested City Council Action

Consider approving the verified claims for the period August 21, 2012 to August 31, 2012 in the total amount of \$1,023,680.12.

**Sponsors:**

**Indexes:**

**Code sections:**

**Attachments:** [09/10/2012 BILL LIST.pdf](#)

Date	Ver.	Action By	Action	Result
------	------	-----------	--------	--------

*Title*

Consider approving the verified claims for the period August 21, 2012 to August 31, 2012 in the total amount of \$1,023,680.12.

**Requested City Council Action**

Consider approving the verified claims for the period August 21, 2012 to August 31, 2012 in the total amount of \$1,023,680.12.

COUNCIL BILL LIST - SEPTEMBER 10, 2012

DATE: 09/05/2012  
 TIME: 15:06:01  
 ID: AP443000.CGR

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 09/10/2012

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
CITY WIDE		
1105530	KENNEDY & GRAVEN	162.00
	TOTAL CITY WIDE	162.00
SPECIAL PROJECTS-NON BUDGETED		
1105530	KENNEDY & GRAVEN	2,394.00
	TOTAL SPECIAL PROJECTS-NON BUDGETED	2,394.00
ADMINISTRATION		
0718040	GRAND RAPIDS AREA LIBRARY	150.00
1309157	MCMA	116.40
1415377	NORTHERN BUSINESS PRODUCTS INC	5.33
1920240	STERLE LAW OFFICE	585.00
	TOTAL ADMINISTRATION	856.73
BUILDING MAINTENANCE-CITY HALL		
0113233	AMERIPRIDE LINEN & APPAREL	25.40
0315455	COLE HARDWARE INC	20.82
0920060	ITASCA COUNTY TREASURER	1,350.61
1801555	RAPID PEST CONTROL INC	64.14
1909510	SIM SUPPLY INC	39.40
	TOTAL BUILDING MAINTENANCE-CITY HALL	1,500.37
COMMUNITY DEVELOPMENT		
1415377	NORTHERN BUSINESS PRODUCTS INC	87.49
1920240	STERLE LAW OFFICE	781.00
	TOTAL COMMUNITY DEVELOPMENT	868.49
ENGINEERING		
1900225	SEH-RCM	2,962.50
1920240	STERLE LAW OFFICE	487.50
	TOTAL ENGINEERING	3,450.00
FINANCE		
1415377	NORTHERN BUSINESS PRODUCTS INC	7.98

COUNCIL BILL LIST - SEPTEMBER 10, 2012

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CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 2

INVOICES DUE ON/BEFORE 09/10/2012

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
FINANCE		
	TOTAL FINANCE	7.98
FIRE		
0218350	BRIER CLOTHING	87.45
0221650	BURGGRAF'S ACE HARDWARE INC	6.39
0312750	CLUSIAU SALES	46.48
0609671	FIRE SAFETY USA, INC	188.00
1309054	MIKES RV INC	37.84
1315725	THE MOTOR SHOP	45.00
1920240	STERLE LAW OFFICE	260.00
2300600	W.P. & R.S. MARS COMPANY	64.44
	TOTAL FIRE	735.60
INFORMATION TECHNOLOGY		
0300200	CDW GOVERNMENT INC	5,038.34
0315508	COMPUTER ENTERPRISES	225.49
	TOTAL INFORMATION TECHNOLOGY	5,263.83
PUBLIC WORKS		
0103325	ACHESON TIRE COMPANY INC	20.00
0121721	AUTO VALUE - GRAND RAPIDS	167.53
0221650	BURGGRAF'S ACE HARDWARE INC	239.67
0301685	CARQUEST AUTO PARTS	971.35
0315455	COLE HARDWARE INC	252.95
0401804	DAVIS OIL	1,447.06
0501650	EARL F ANDERSEN	97.10
0522103	EVANS ELECTRIC INC	140.00
0601690	FASTENAL COMPANY	121.81
0801825	HAWKINSON CONSTRUCTION CO INC	2,400.00
0801836	HAWKINSON SAND & GRAVEL	1,355.67
0920040	ITASCA COUNTY FARM SERVICE	67.12
1201512	LANDSCAPE STRUCTURES	859.28
1415030	NORD AUTO PARTS	266.86
1415640	NORTRAX EQUIPMENT COMPANY	142.14
1605105	TODD R. PEART	900.00
1618563	PRO BLAST TECHNOLOGY	490.00
1801590	RAPIDS FORD LINCOLN	159.24
1801610	RAPIDS PLUMBING & HEATING INC	1,495.00
1908248	SHERWIN-WILLIAMS	444.75
2118225	URETEK ICR-NORTHERN US	1,200.00

COUNCIL BILL LIST - SEPTEMBER 10, 2012

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CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 3

INVOICES DUE ON/BEFORE 09/10/2012

VENDOR #	NAME	AMOUNT DUE
GENERAL FUND		
PUBLIC WORKS		
TOTAL PUBLIC WORKS		13,237.53
FLEET MAINTENANCE		
0103325	ACHESON TIRE COMPANY INC	1,132.88
0114203	ANDERSON LUBRICANTS INC	590.00
0121721	AUTO VALUE - GRAND RAPIDS	122.79
0301685	CARQUEST AUTO PARTS	111.45
0312750	CLUSIAU SALES	223.17
0401804	DAVIS OIL	8.64
1415030	NORD AUTO PARTS	78.94
1415484	NORTHERN LIGHTS TRUCK	368.65
1801615	RAPIDS WELDING SUPPLY INC	16.14
TOTAL FLEET MAINTENANCE		2,652.66
POLICE		
0103325	ACHESON TIRE COMPANY INC	30.00
0301685	CARQUEST AUTO PARTS	12.84
0312750	CLUSIAU SALES	108.38
0409501	DIMICH LAW OFFICE	5,250.00
0701480	GALLS, AN ARAMARK COMPANY LLC	-120.24
0712225	GLEN'S ARMY NAVY STORE	46.52
1301025	MAKI BODY & GLASS	154.02
1415048	NORTH COUNTRY VET CLINIC	229.10
1415377	NORTHERN BUSINESS PRODUCTS INC	53.87
1605665	PERSONNEL DYNAMICS, LLC	936.00
1801609	RAPIDS TOWING	140.00
1920240	STERLE LAW OFFICE	780.00
TOTAL POLICE		7,620.49
RECREATION		
1415377	NORTHERN BUSINESS PRODUCTS INC	82.77
TOTAL RECREATION		82.77
AIRPORT		
1920240	STERLE LAW OFFICE	1,397.50
TOTAL		1,397.50

COUNCIL BILL LIST - SEPTEMBER 10, 2012

DATE: 09/05/2012  
 TIME: 15:06:01  
 ID: AP443000.CGR

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 4

INVOICES DUE ON/BEFORE 09/10/2012

VENDOR #	NAME	AMOUNT DUE
AIRPORT		
TERMINAL EXPENDITURES		
2005655	TERMINAL VENTURES LLC	2,500.00
TOTAL TERMINAL EXPENDITURES		2,500.00
CIVIC CENTER		
GENERAL ADMINISTRATION		
0718010	CITY OF GRAND RAPIDS	319.70
1200500	L&M SUPPLY	7.09
1605611	PEPSI-COLA	251.98
1800655	R & R SPECIALTIES	55.26
T000853	TERRY PAINE	225.00
TOTAL GENERAL ADMINISTRATION		859.03
STATE HAZ-MAT RESPONSE TEAM		
ST HAZ-MAT TERRORISM GRANT		
1305199	METRO FIRE	12,391.22
TOTAL ST HAZ-MAT TERRORISM GRANT		12,391.22
POLICE DESIGNATED FORFEITURES		
0701480	GALLS, AN ARAMARK COMPANY LLC	276.97
TOTAL		276.97
CEMETERY		
0221650	BURGGRAF'S ACE HARDWARE INC	42.66
0315455	COLE HARDWARE INC	14.14
0801836	HAWKINSON SAND & GRAVEL	273.85
1200500	L&M SUPPLY	85.26
1615427	POKEGAMA LAWN AND SPORT	851.92
TOTAL		1,267.83
GENERAL CAPITAL IMPRV PROJECTS		
YMCA ACTIVE LIVING CENTER		
2500050	ITASCA COUNTY FAMILY YMCA INC	295.00
TOTAL YMCA ACTIVE LIVING CENTER		295.00

COUNCIL BILL LIST - SEPTEMBER 10, 2012

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CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

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INVOICES DUE ON/BEFORE 09/10/2012

VENDOR #	NAME	AMOUNT DUE
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2010	INFRASTRUCTURE BONDS	
	RROAD CROSSING PJT	
1920240	STERLE LAW OFFICE	390.00
	TOTAL RROAD CROSSING PJT	390.00
2011	INFRASTRUCTURE BONDS	
	2014-1 NE 1ST AVENUE	
1900225	SEH-RCM	5,260.93
	TOTAL 2014-1 NE 1ST AVENUE	5,260.93
2010-3	19TH AVE NW	
1309360	MN DEPT OF TRANSPORTATION	651.82
1900225	SEH-RCM	4,352.00
	TOTAL 2010-3 19TH AVE NW	5,003.82
2012	INFRASTRUCTURE BONDS	
	2004-3 4TH ST SE & POK TO 6TH	
0801535	HAMMERLUND CONSTRUCTION INC	217,713.02
1900225	SEH-RCM	29,848.55
	TOTAL 2004-3 4TH ST SE & POK TO 6TH	247,561.57
2011-6	HORSESHOE IMPROVEMENTS	
0212554	BLOOMERS GARDEN & LANDSCAPING	851.67
0218115	BRAUN INTERTEC CORPORATION	5,368.34
0301705	CASPER CONSTRUCTION INC	413,035.36
1900225	SEH-RCM	41,918.54
	TOTAL 2011-6 HORSESHOE IMPROVEMENTS	461,173.91
2011-4	HORSESHOE/ISLEVIEW	
0801825	HAWKINSON CONSTRUCTION CO INC	14,096.13
1309360	MN DEPT OF TRANSPORTATION	463.56
1900225	SEH-RCM	5,436.75
	TOTAL 2011-4 HORSESHOE/ISLEVIEW	19,996.44
	TOTAL UN-PAID TO BE APPROVED	797,206.67
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		



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INVOICES DUE ON/BEFORE 09/10/2012

VENDOR #	NAME	AMOUNT DUE
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0114206	DALE ANDERSON	65.00
0212750	BLUE CROSS & BLUE SHIELD OF MN	687.00
0212751	BLUE CROSS BLUE SHIELD	163.50
0305530	CENTURYLINK INC	7.84
0312104	TONY CLAFTON	80.00
0401801	DAVIS CHIROPRACTIC HEALTH	42.89
0405222	DEER RIVER HEALTHCARE CENTER	81.69
0405447	DELTA DENTAL OF MINNESOTA	2,200.85
0504610	RON EDMINSTER	207.57
0605191	FIDELITY SECURITY LIFE INS CO	40.13
0709455	SHAWN GILLEN	313.39
0709456	SHAWN J GILLEN	1,225.00
0717996	GRAND ITASCA CLINIC	2,135.71
0718015	GRAND RAPIDS CITY PAYROLL	209,492.02
0718070	GRAND RAPIDS STATE BANK	231.22
1101645	LASHA KARELS	40.00
1201402	LAKE COUNTRY POWER	33.96
1209516	LINCOLN NATIONAL LIFE	679.91
1301320	SHAWN MAHANEY	40.00
1309199	MINNESOTA ENERGY RESOURCES	1,966.49
1309395	UNIVERSITY OF MINNESOTA	50.00
1315295	CHAD MOEN	40.00
1315630	ASHLEY MORAN	40.00
1405435	JEREMY NELSON	40.00
1415530	NORTHLAND COUNSELING CENTER	33.30
1415532	NORTHLAND RECOVERY CENTER	44.90
1503151	OCCUPATION DEVELOPMENT CENTER	20.75
1518550	MATTHEW O'ROURKE	40.00
1520720	KEVIN OTT	40.00
1609557	PIONEER MUTUAL LIFE INS CO	253.79
1621130	P.U.C.	3,737.41
1801206	RADIOLOGIST ASSOC. IN DULUTH	418.60
1801239	RADTKE PHYSICAL THERAPY	81.17
1901343	ST LUKES PULMONARY MEDICINE	24.21
1901500	SAMMY'S PIZZA	198.59
1901820	WILLIAM SAW	40.00
1903557	TROY SCOTT	80.00
2000100	TASC	30.60
2114360	UNITED PARCEL SERVICE	112.16
2301700	WASTE MANAGEMENT	1,383.09
2308227	GARY WHEELOCK, DC	12.46
2309538	ALLEN WINDT	18.25
TOTAL PRIOR APPROVAL		226,473.45
TOTAL ALL DEPARTMENTS		1,023,680.12