



## GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, April 8, 2021

4:00pm

Grand Rapids City Hall

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in the City Council Chambers in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, April 8, 2021 at 4:00pm, some or all of the Commissioners may be participating by telephone or other electronic means.

### AGENDA

1. Call to Order
2. Call of Roll
3. Setting of the Regular Agenda - *This is an opportunity to approve the regular agenda as presented or add/delete by a majority vote of the Commissioners present an agenda item.*
4. Consider approval of minutes from the March 25, 2021 regular meeting.
5. Consider approval of claims
6. Review and consider forwarding to the City Council the *GREDA 2020 Annual Report*
7. Consider authorizing issuance of a request for proposal for preliminary architectural services
8. Consider adopting a resolution approving First Amendment to and Partial Termination of Purchase Agreement for the Sale of 865 & 895 SW 22<sup>nd</sup> Avenue
9. Consider approval of a Commercial Building Improvement Loan to Absolute PCA for improvements to the commercial building located at 1407 NW 4<sup>th</sup> St.
10. Consider adopting a resolution granting a forbearance to the RL Enterprises Commercial Building Improvement Loan.
11. Updates:
  - a.
12. Adjourn

#### GREDA Commissioners/terms:

Rick Blake – 12/31/2022 (with council term)  
Tasha Connelly– 12/31/2024 (with council term)  
(Vacant) – 3/1/21  
Cory Jackson – 3/1/23  
Mike Korte – 3/1/22  
John O'Leary – 3/1/25  
Sholom Blake – 3/1/25

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
THURSDAY, MARCH 25, 2021  
4:00 P.M.  
GRAND RAPIDS CITY HALL – CONFERENCE ROOM 2A  
420 NORTH POKEGAMA AVE., GRAND RAPIDS, MINNESOTA**

**CALL TO ORDER:** Pursuant to due notice and call thereof, a Regular Meeting of the Grand Rapids Economic Development Authority (GREDA) was called to order electronically on Thursday, March 25, 2021 at 4:05 p.m. in Conference Room 2A of City Hall, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

**CALL OF ROLL:** On a Call of Roll the following members were present: Commissioners: Rick Blake, Sholom Blake, John O’Leary, Cory Jackson. Absent: Tasha Connelly, Mike Korte.

**SETTING OF REGULAR AGENDA:** **Approved without addition.**

**APPROVAL OF MINUTES:**

**MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER O’LEARY TO APPROVE THE MINUTES OF THE MARCH 3, 2021 SPECIAL MEETING. The following roll call vote was taken: Yea: R. Blake, Jackson, O’Leary, S. Blake. Nay: None, passed unanimously.**

**APPROVAL OF CLAIMS:**

**MOTION BY COMMISSIONER O’LEARY, SECOND BY COMMISSIONER R. BLAKE TO APPROVE CLAIMS IN THE AMOUNT OF \$16,809.79.**

City of Grand Rapids	\$271.25	Itasca County Recorder	\$92.00
Kennedy & Graven	\$4,243.65	Latvala Lumber Company	\$48.33
League of MN Cities Insurance	\$5,805.00	Loren Solberg Consulting	\$1,200.00
Minnesota Energy Resources	\$258.82	MN DEED	\$1,000.00
Northern Star Cooperative	\$526.88	P.U.C	\$283.87
Visa	\$79.99	Wellson Group	\$3000.00

**The following roll call vote was taken: Yea: O’Leary, Jackson, R. Blake, S. Blake. Nay: None, passed unanimously.**

Review Market Assessment for Speculative Space in Grand Rapids, MN – Mary Bujold.

Mary Bujold of Maxfield Research & Consulting provided a power point highlighting land availability, demographic analysis, employment and business growth trends, industrial market analysis and industrial demand. The assessment revealed the current supply of available land is enough at this time however there are no existing industrial buildings ready to attract new businesses or provide for existing business expansion.

Review and discuss funding for the Grand Rapids/Cohasset Industrial Park (Ainsworth Site) Infrastructure Project.

Mr. Mattei provided and updated sources and uses worksheet. The IRRR, GRPUC, City of Grand Rapids, City of Cohasset have agreed to increase their contributions and IEDC has also agreed to contribute to the project. This will help close the funding gap substantially.

There being no further business the meeting adjourned at 5:12 p.m.

Respectfully submitted:

---

Aurimy Groom, Recorder

DRAFT

DATE: 04/02/2021  
 TIME: 09:51:04  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 04/08/2021

VENDOR #	NAME	AMOUNT DUE
-----		
EDA - CAPITAL PROJECTS		
T001171	FIRST AMERICAN TITLE	927.36
	TOTAL	927.36
AINSWORTH FACILITY REDEVELPMNT		
0718060	GRAND RAPIDS HERALD REVIEW	611.79
	TOTAL AINSWORTH FACILITY REDEVELPMNT	611.79
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$1,539.15
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920051	ITASCA COUNTY H.R.A.	16,769.86
0920055	ITASCA COUNTY RECORDER	46.00
1309199	MINNESOTA ENERGY RESOURCES	111.53
1621130	P.U.C.	237.38
	TOTAL PRIOR APPROVAL	\$17,164.77
	TOTAL ALL DEPARTMENTS	\$18,703.92



## REQUEST FOR GRAND RAPIDS EDA ACTION

<b>Agenda Item #6</b>	<b>Meeting Date: 4/8/21</b>
<b>Statement of Issue:</b>	Review and consider forwarding to the City Council the GREDA 2020 Annual Report
<b>Background:</b>	The Bylaws of the Grand Rapids Economic Development Authority echo Minnesota Statute 469.100 by requiring that: "GREDA shall prepare an annual report describing its activities and providing an accurate statement of its financial condition, together with additional matters and recommendations it deems advisable for the economic development of the City of Grand Rapids"
<b>Recommendation:</b>	
<b>Required Action:</b>	Pass a motion forwarding to the City Council the GREDA 2020 Annual Report.
<b>Attachments:</b>	GREDA 2020 Annual Report (draft)

# **G R Economic Development Authority**

## **2020 Annual Report**



Prepared by:

**Rob Mattei**  
Director of Community Development  
GREDA Executive Director

# Table of Contents

---

<b>Mission</b>	<b>3</b>
<b>Governance</b>	<b>3</b>
<b>Development Property Assets</b>	<b>4-7</b>
<b>Business Assistance Programs</b>	<b>8</b>
<b>Additional Project Funding</b>	<b>9</b>
<b>Business Retention and Attraction</b>	<b>10</b>
<b>Summary of 2020 Activities</b>	<b>11-13</b>
<b>GREDA Financial Summary - Operating Budget</b>	<b>14</b>
<b>GREDA Financial Summary - Capital Projects Budget</b>	<b>15</b>
<b>2021 GREDA Work Plan</b>	<b>16-20</b>



## Mission

---

The Mission of the Grand Rapids Economic Development Authority (GREDA) is to advance the growth of our local economy through efforts focused on business recruitment, retention and expansion.

As the City's economic development agent, GREDA strives to provide a high level of service, in order to encourage economic investment and prosperity in the City of Grand Rapids and the surrounding region. GREDA works closely with businesses to: identify creative solutions to challenging problems, generate enhanced opportunities for growth, and help them achieve their short- and long-term goals.

## Governance

---

The Grand Rapids Economic Development Authority is a public body governed by Minnesota Statute chapter 469, and Enabling Resolutions enacted by the City Council of the City of Grand Rapids.

The management of all of the affairs, property and business of GREDA is vested in a Board of Commissioners consisting of 7 persons, 2 of which must be members of the City Council. GREDA annually elects its Officers, which include a President, Vice President, Secretary/Treasurer, and Asst. Treasurer. Staff support is provided to GREDA primarily through the Community Development Department, with the Director of Community Development acting as the GREDA Executive Director, and with the Community Development Administrative Assistant acting as the Recorder.

The GREDA Board of Commissioners includes the following volunteers:

Member	Position	Affiliation/Occupation	Term Expires
Sholom Blake	President	Private Business Owner/CPA	3/1/25
Tasha Connelly	Commissioner	City Council/Student Support Specialist	12/31/22 Concurrent with Council Term
John O'Leary	Vice President	Ret. Economic Dev. Professional	3/1/25
Vacant	Commissioner		3/1/27
Cory Jackson	Secretary/Treas.	Business Financial Officer	3/1/23
Mike Korte	Commissioner	Economic Development Loan Officer	3/1/22
Rick Blake	Commissioner	City Council/Retired Elec. Engineer	12/31/22 Concurrent with Council Term

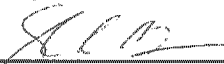
\*The Director of City Finance serves as the Asst. Treasurer

Also providing valued service to the GREDA during 2020 was Mayor Dale Christy (serving on the GREDA from 2013-2020), and Mike Przytarski (serving on the GREDA from 2003-2020).

Article VII, Section 1, of the Bylaws of the Grand Rapids Economic Development Authority establishes that: "GREDA shall prepare an annual report describing its activities and providing an accurate statement of its financial condition, together with additional matters and recommendations it deems advisable for the economic development of the City of Grand Rapids."

This report summarizes GREDA's activities and financial condition for the year ending December 31, 2020.

Respectfully submitted,



Sholom Blake, Grand Rapids EDA President





# Development Property and Leasable Assets

Beginning in 1969, GREDA and its predecessor organization, the Grand Rapids Industrial Park Commission, have invested in the creation of four industrial park areas in Grand Rapids. Those industrial parks have become the home for 24 businesses, providing over 1,000 jobs in our community.

The attraction and location of industrial business in our community is pursued by GREDA within a competitive environment. Communities in the Arrowhead Region, including Grand Rapids, have had to counterbalance weaknesses, such as our distance from major market areas, by providing incentives to businesses for locating in our community. A primary means of providing that incentive involves providing development sites for business location at a competitive rate, most often below actual cost.

In addition to assembling lands for industrial development, GREDA has also actively pursued the development of underutilized properties in the Downtown and Mississippi Riverfront areas. As examples, the GREDA has sold land, which has led to the development of the Glorvigen office building, KAXE Northern Public Radio station, and the Rapids Brewing project. The GREDA also exercised their authority to purchase and sell lands in support of the private redevelopment of Block 37, located at the corner of TH 2 and TH 169. The GREDA currently owns property in Blocks 20 & 21, immediately north of the Library, which they continue to market to developers interested in creating professional office, residential and other compatible uses. The GREDA also owns and markets for sale and development the former North Country Recycling property, a site referred to as the Block 5 Site. Additionally, GREDA recently completed the acquisition of VFW/Rose properties within Block 18 downtown, adjacent to the Wells Fargo building.

## Land Inventory Summary:

<u>Site Description</u>	<u>Number of Developable Lots (GREDA Owned)</u>	<u>Acreage Total</u>
Industrial Park Two	1	2.38
Industrial Park East	6	8.30
Airport South Industrial Park — Phase 1 & 2	11	17.61
Airport Property (unplatted)	1	20.0
Blocks 20 & 21 Riverfront Dev. Site	1	1.46
Block 5 Riverfront Dev. Site	1	1.8
Block 18 — Downtown Site	1	0.16
<b>Totals:</b>	<b>22</b>	<b>51.71</b>

## GPZ Hangar:

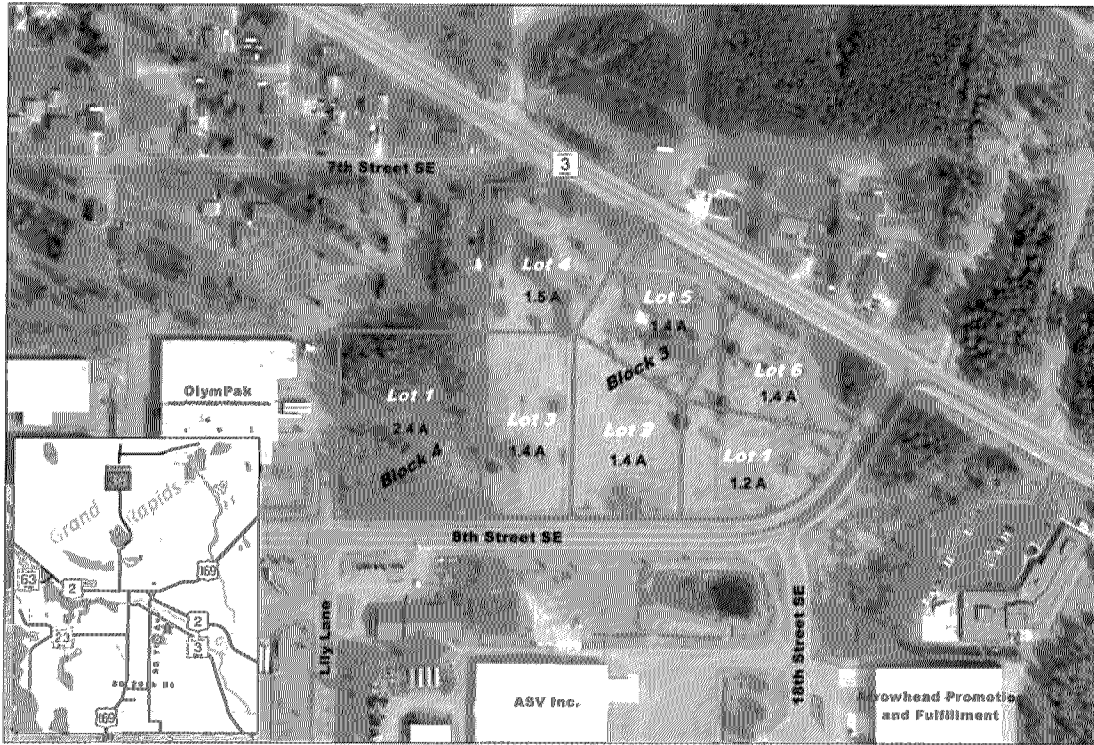
In addition to an inventory for industrial and commercial lands available for development, GREDA owns a 7,500 s.f. commercial hangar at the Grand Rapids/Itasca County Airport. This facility is available for lease or potential sale after the prior tenant, ACC Manufacturing, failed to emerge from Chapter 11 restructuring.

## Central School:

The City redeveloped Central School in 1983 and has since operated it as a multi-tenant leased space for a mixture of commercial retail and office uses. Central School contains 15 suites totaling 10,250 square feet of leasable space. In 2014, the City Council tasked GREDA with the management of leasing. At the time of this report, 37% of the space is occupied.

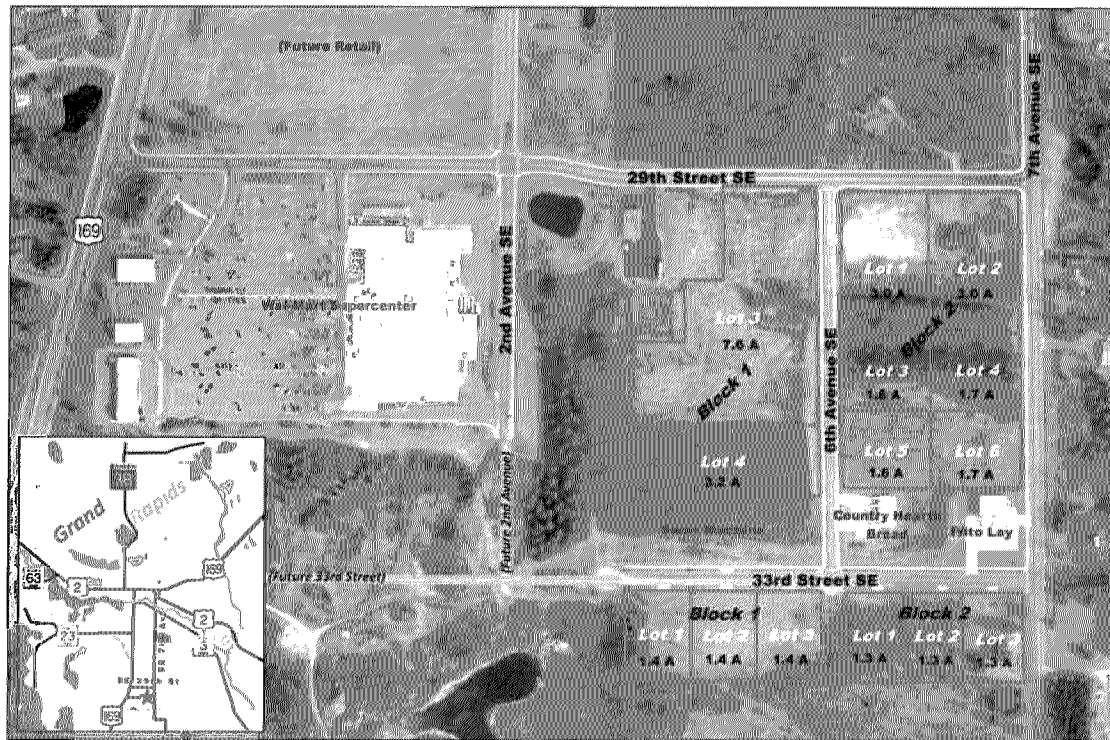


### Grand Rapids Industrial Park East



**Legend**  
 Available Lot(s)

### Grand Rapids Airport South Industrial Park: Phases I & II



**Legend**  
 Available Lot(s)



### Grand Rapids Airport Property (unplatted)

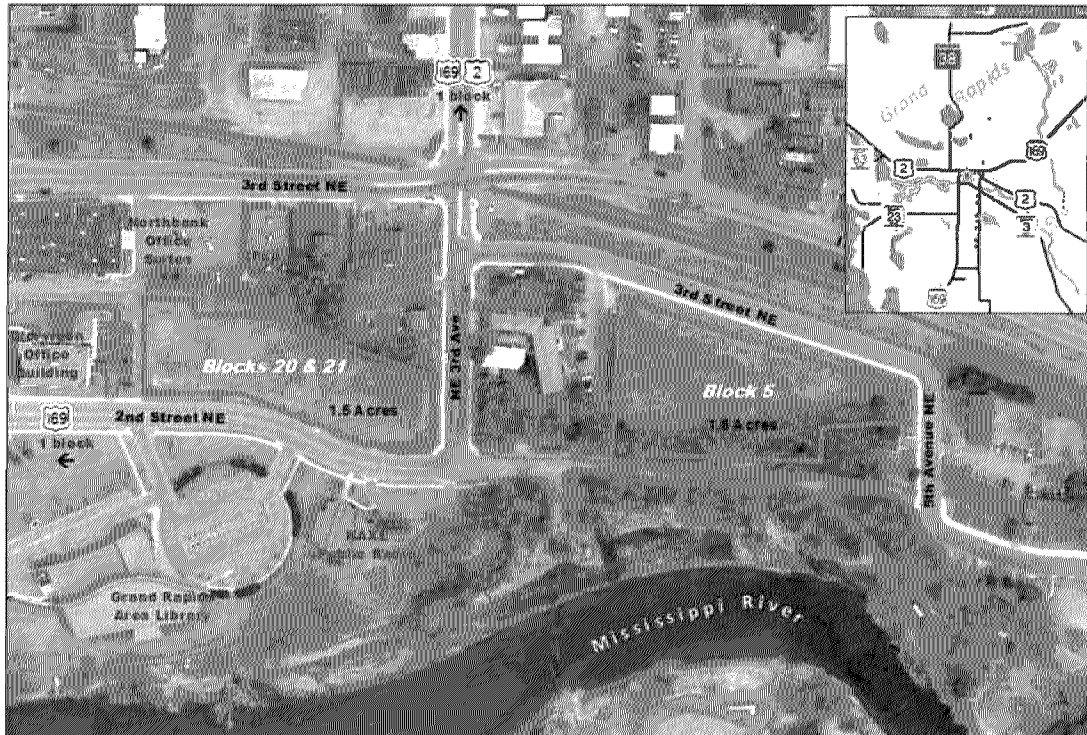


0 125 250 500 750 1,000 Feet

#### Legend

Available Lot(s)

### Grand Rapids "Blocks 20 & 21" and "Block 5" Commercial Sites



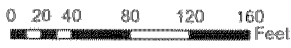
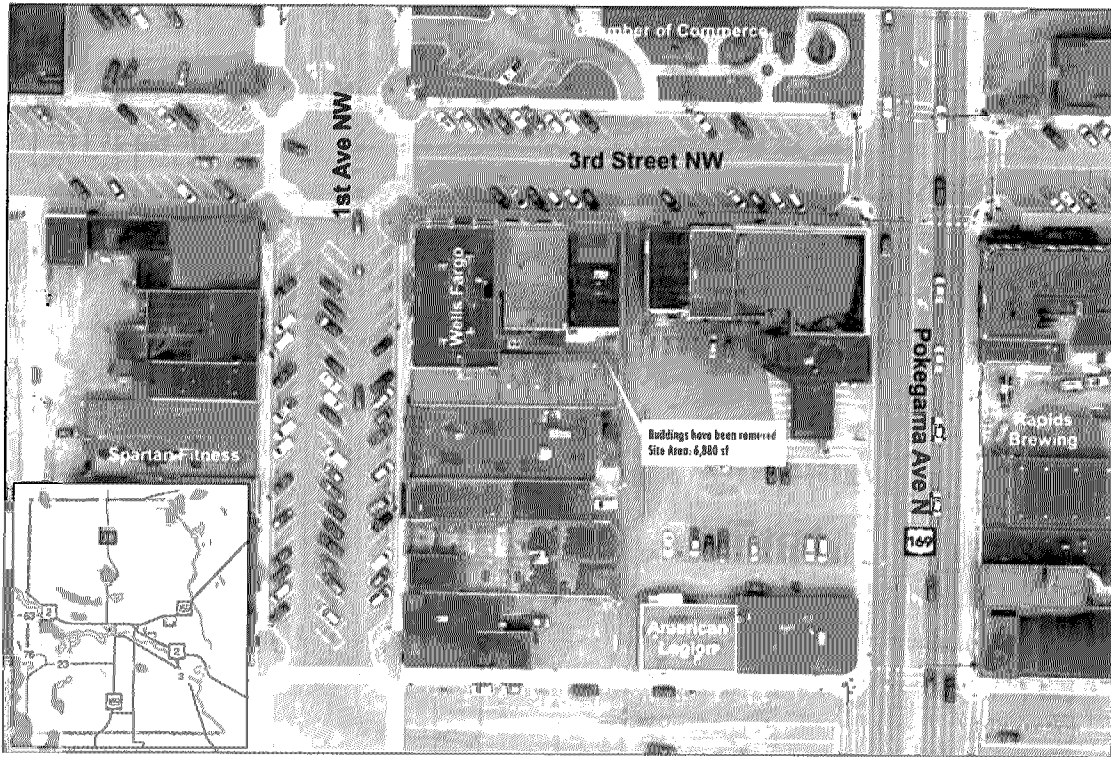
0 50 100 200 300 400 Feet

#### Legend

Available Lot(s)



# Grand Rapids "Downtown Block 18"



### Legend

Available Lot(s)



# Business Assistance Programs

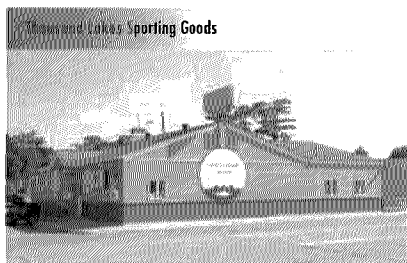
In order to meet business' needs, GREDA commonly pools their resources together with those of other local, state and federal economic development agencies. Examples of those business assistance programs are listed in the following table:

Source	Program
Federal EDA	<ul style="list-style-type: none"> <li>▪ Public Works Grant</li> <li>▪ Economic Adjustment Grant</li> </ul>
Iron Range Resources and Rehabilitation Board	<ul style="list-style-type: none"> <li>▪ Economic Development Planning Grant</li> <li>▪ Commercial Redevelopment Program</li> <li>▪ Development Infrastructure Program</li> </ul>
Department of Employment and Economic Development (DEED)	<ul style="list-style-type: none"> <li>▪ Business Financing</li> <li>▪ Business Development Public Infrastructure Grant</li> <li>▪ Minnesota Investment Fund</li> <li>▪ Small Cities Development Program</li> <li>▪ Job Creation Fund</li> <li>▪ Redevelopment Grant Program</li> <li>▪ Contamination Investigation and Cleanup</li> <li>▪ Job Skills Partnership Program</li> </ul>
Itasca Economic Development Corporation (IEDC)	<ul style="list-style-type: none"> <li>▪ Building Development Loan Program</li> </ul>
City of Grand Rapids	<ul style="list-style-type: none"> <li>▪ Tax Increment Financing</li> <li>▪ Tax Abatement</li> </ul>

**Commercial Building Improvement Loan (CBIL) Program** - In certain situations, the underwriting standards used by private financial institutions would constrain their willingness or ability to provide a complete, attractive, financing package to a small business seeking to invest in property improvements. The GREDA has created and maintains a revolving loan fund, named the Commercial Building Improvement Loan (CBIL) Program, which is intended to leverage private sector investment. The GREDA CBIL Program fills this capital market void by providing below market rate financing to eligible commercial enterprises within the City of Grand Rapids.

The CBIL is intended primarily to help building owners and tenants improve the appearance and function of their existing buildings. Secondary benefits include: the removal of blight, increased competitiveness, strengthening of the tax base and improved viability of small businesses in the Grand Rapids commercial districts.

Eligible improvements to any retail/commercial building or site are qualified for consideration under the CBIL, within the following business zones: (LB, GB, CBD, SGB, SLB, I-1, SI-1). Program funds may be used for: building construction and expansion, building renovation and remodeling, landscaping and parking lot improvements and signage.



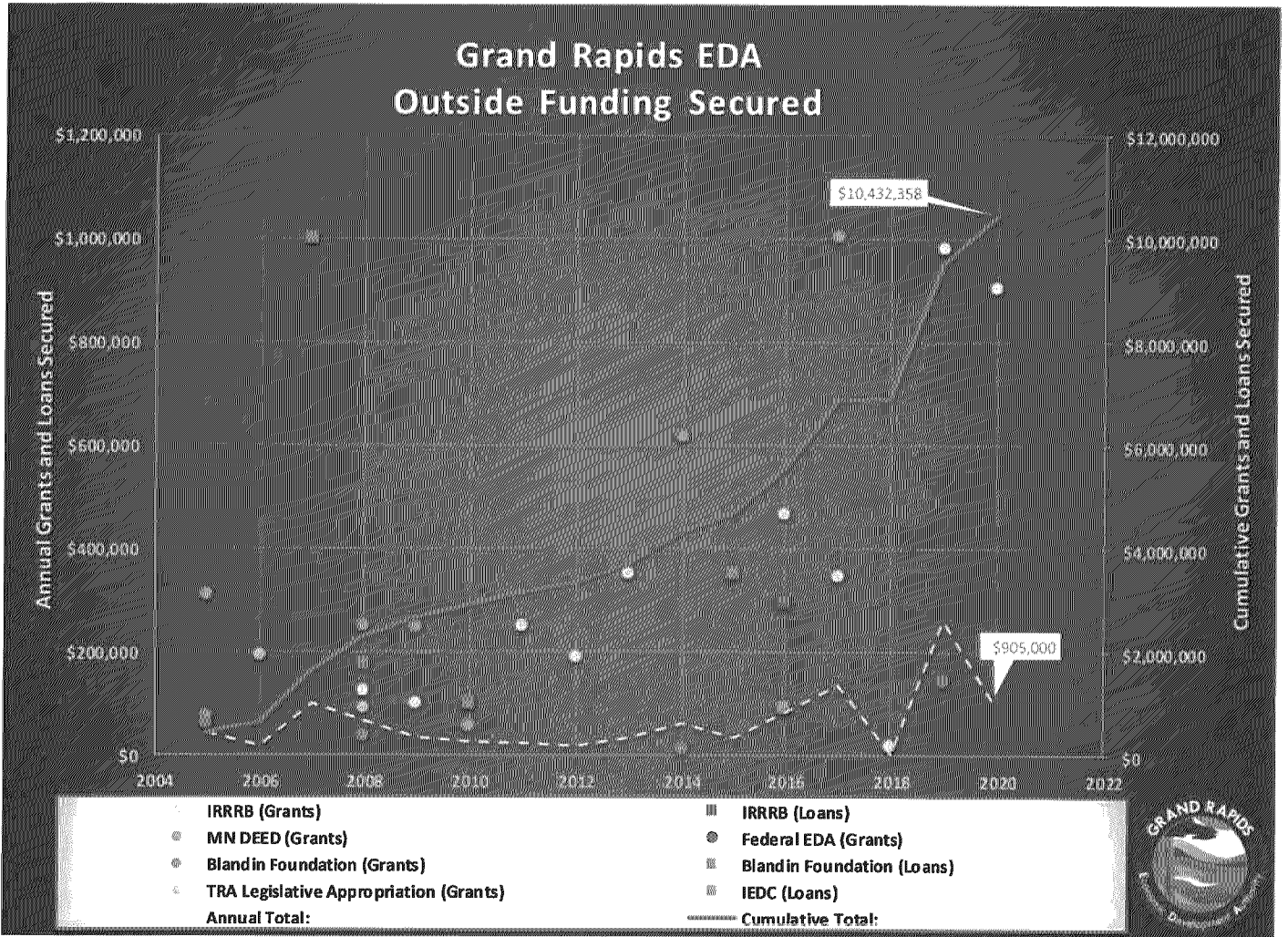
The Commercial Building Improvement Loan Program funds may finance up to 75% of the project cost, or \$40,000, which ever may be less. The interest rate for improvement loans is currently set at two percent (2%), with a maximum term of 5 years. Loans are amortized over a twenty year period with a balloon payment due at the end of the term, with no penalty for early payment.

There currently is a portfolio of sixteen loans with a combined principal loan amount of \$516,163.



# Additional Project Funding

The following chart provides an fifteen year history of the outside funding secured by GREDA:



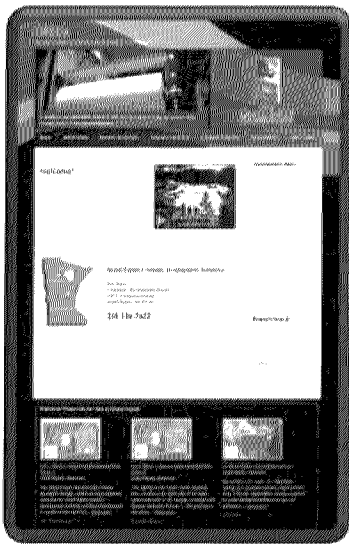
# Business Retention and Attraction

GREDA views regular interaction with resident companies, such as through a Business Retention and Expansion (BRE) program of structured interviews, as an important component of the Grand Rapids area economic development action plan. The importance of BRE is highlighted by a well-known statistic: “up to 80 percent of new jobs and capital investment in any community is generated by existing businesses”.<sup>1</sup>

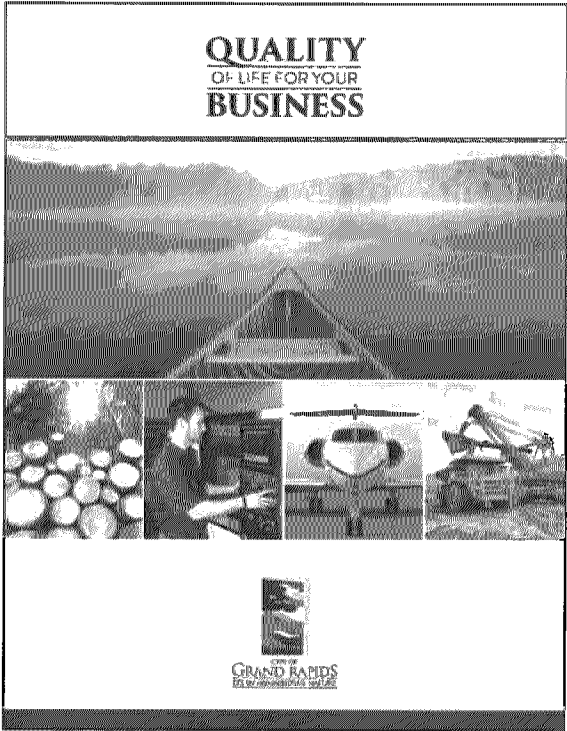
GREDA supports and is directly involved in renewed efforts between the Grand Rapids Area Chamber of Commerce and Itasca Economic Development Corporation in the expanded implementation of their “Grow Itasca” BRE program. The information collected through the business interviews done by the Grow Itasca group, assist GREDA in better understanding and serving our local business’ needs.

This is not to say, however, that GREDA disregards the value of business attraction efforts, as evidenced by their expanding industrial park areas. With a well-rounded inventory of sites to offer, GREDA has begun to dedicate additional resources to their marketing efforts, including:

- ❖ Updated electronic and printed brochures featuring their property
- ❖ An increased presence on the *northlandconnection.com* regional business portal



- ❖ The GREDA website launched in September 2011 at [www.grandrapidseda.com](http://www.grandrapidseda.com) with updated property listing/mapping functions added in 2018.
- ❖ GREDA twitter account launched October 2012: @GR\_EconDevAuth



<sup>1</sup> “The Job Generation Process.” Dr. David Birch, MIT Economist



# Summary of Activities - 2020

---

## Emergency Working Capital Loan Program (EWCL)

- ❖ On March 30<sup>th</sup> GREDA launched a new program to provide working capital loans to businesses impacted by the pandemic.
- ❖ The first round of the EWCL program was funded with a \$500,000 Blandin Foundation loan to GREDA.
- ❖ The second round of the EWCL program, which was made available on August 20<sup>th</sup>, was funded with a \$200,000 IRRRB grant to GREDA and an additional \$150,000 loan from the Blandin Foundation.
- ❖ The EWCL provided zero interest loans of up to \$30,000/business. Payments on the loans are deferred for 6 months and amortized over a 5 year term.
- ❖ In all, GREDA provided 50 loans totaling \$880,000 to Grand Rapids businesses and nonprofit corporations following a social enterprise model.

## Coronavirus Relief Fund Small Business Grant Program

- ❖ On August 20<sup>th</sup>, GREDA launched a new small business grant program funded with \$411,000 of the City of Grand Rapids' Federal CARES Act Coronavirus Relief Fund allotment.
- ❖ The grants were offered as matching funds to EWCL recipients.
- ❖ The grant amounts were based upon a percentage of the EWCL amount, ranging between 50% of loans  $\leq$  \$15K and 75% of \$30K loans
- ❖ Grants were provided to a total of 30 businesses.

## DEED Small Cities Development Program (SCDP) Grant

- ❖ GREDA is in the final year of implementing the 3<sup>rd</sup> DEED Comprehensive SCDP grant awarded to the City in the last 10 years.
- ❖ In combination, these three SCDP grants have allowed GREDA to provide an additional \$665K of deferred/forgivable loans of up to \$32,000 to 23 commercial building rehabilitation projects in targeted areas of Grand Rapids.
- ❖ Thus far, the current SCDP program has assisted in the rehabilitation of 8 commercial buildings and 16 owner-occupied single-family homes.
- ❖ The term of the SCDP grant runs through September of 2021.

## Redevelopment Loan Fund

- ❖ The Blandin Foundation has recently re-established a \$1,000,000 Program Related Investment (PRI) with GREDA for the Redevelopment Loan Fund.
- ❖ This fund allows timely access to short-term bridge and gap financing for commercial acquisitions and activities that lead the redevelopment of blighted/substandard/underutilized commercial property.
- ❖ The interest on each loan will be within a range of 0% to 0.25% over Prime, depending on project specifics and whether the loan is being made to GREDA or if GREDA is using the funds to make a loan to a private developer.

## North Homes Expansion

- ❖ GREDA supported the City's successful application to IRRR for a \$350K Development Infrastructure Grant to support North Homes in their planned establishment of a new 52-bed psychiatric rehabilitation treatment facility for youth and young adults. The project would convert and expand their existing facility at 1920 River Rd.
- ❖ The North Home facility will be one of three in Minnesota and the only in the Northeast Region. This project involves approximately 45 new jobs with wages ranging from \$32,240 - \$75,000 annually, plus benefits.





### Former Ainsworth Site Redevelopment

- ❖ We continue to work with the new owner of the site Voyageur Capital our partners at IEDC, APEX, IRRRB and the City of Cohasset to promote the redevelopment of this industrial site.
- ❖ The City and GREDA, anticipating the need to maximize the redevelopment of the site, with the extension of infrastructure (sanitary sewer and water), applied for a CARES Act infrastructure grant from the US Economic Development Administration (EDA), which offered 80% funding of this \$3.9 million project. Recently, the EDA provided a notice of preliminary approval of a grant funding 50% (\$1,900,600). A revised plan for funding the increased local match is being presented to funding partners.
- ❖ GREDA has coordinated on-site tours, and meetings with IRRR staff and Board members, other state legislators and representatives from the offices of Congressman Stauber, Senator Klobuchar and Senator Smith.
- ❖ GREDA supported legislation to establish a Minnesota wood pellet production incentive.

### GREDA Commercial Building Improvement Loan Program

- ❖ The objective of the CBIL is to fill the financing gap between project costs and private debt financing and private equity by making direct, below market interest, loans to building owners and leaseholders improve the appearance and function of their buildings.
- ❖ Since the restructuring of the program in 2006, GREDA has provided \$844K loans to 26 projects.
- ❖ The CBIL program can provide up to \$40,000 per project. Loans are amortized over 20 years with a 5-year balloon.
- ❖ The interest rate has been lowered recently from 4% to 2% through the use of PRI funds from the Foundation.

### GRPUC Wastewater Treatment Plant (WWTP) Improvements

- ❖ GREDA supported the City's successful application for a \$300,000 IRRR Development Infrastructure grant that partially funds the purchase and installation of infrastructure that will oxygenate the industrial effluent coming to the WWTP from Blandin Paper Mill to eliminate odors.
- ❖ This project will lower the wastewater treatment costs passed on to the Mill by \$600,000 annually. This project will also reduce impacts to the Mississippi River from the current use of chemicals to treat odor.
- ❖ This infrastructure is in the final stages of construction and testing at two locations along the 2-mile effluent line between the Mill and the WWTP. The most notable location is along the River Rd. directly east of the former Hospital.

### ICC Student Center

- ❖ ICC broke ground last spring for a new student center. The project involves the reconstruction of approximately 5,000 square feet of existing space in the library and media center as well as the construction of an additional 5,000 square feet near Davies Hall.
- ❖ GREDA supported the City's successful application for a \$175,000 IRRRB Commercial Redevelopment grant for demolition associated with this \$5,475,000 project.

### Minnesota Diversified Industries (MDI) Expansion Project.

- ❖ GREDA supported the City's successful application for a \$250,000 IRRRB grant, which will partially fund electrical service upgrades for the addition of a new hollow-core polypropylene extrusion line at the MDI facility in Grand Rapids.
- ❖ This project will expand MDI's market for their products. MDI projects that the new production line will provide 60 new FTE positions at the Grand Rapids and Cohasset facilities over the next ten years.

### Unique Opportunities, LLC 21<sup>st</sup> St. SE Apartments

- ❖ Unique Opportunities, a Fergus Falls based multi-family housing developer, the City of Grand Rapids and GREDA entered into a Purchase and Development Contract that established Unique as the purchaser and developer of a 3-acre tract of City/GREDA property located at the SW corner of 21<sup>st</sup> St. SE & 7<sup>th</sup> Ave. E. (Airport Rd.)
- ❖ Unique, the City and GREDA completed the transaction and work has begun on their development of a \$4.9M, 48-unit apartment, with 20% of the units offered as affordable and the remainder market rate.



### The Pillars of Grand Rapids Senior Housing Project

- ❖ In September, Excelsior, MN based developer Oppidan broke ground for the development of a 110-unit senior housing development project on land west of Grand Itasca Clinic and Hospital. When developed, the project will create approximate 68 independent senior apartments along with 30 assisted living and 20 memory care units. With GREDA's analysis and recommendation, the City approved the use of Tax Increment Financing to close a financial gap for this \$27M project.

### Plat of Great River Acres

- ❖ GREDA continues to market the 14 remaining single-family home sites and one large multi-family site.
- ❖ One single-family home site sold last fall, and a purchase agreement on a second lot, and there has been interest in the multi-family site.
- ❖ Properties are listed on [www.grandrapidseda.com](http://www.grandrapidseda.com)

### Downtown Block 18 Site

- ❖ GREDA completed the acquisition of the former site of the VFW and Rose properties, which were cleared after a fire destroyed the buildings.
- ❖ GREDA is marking for sale and development, as a single site, the combination of these adjacent properties.



# GREDA Financial Summary – 2020 Operating Fund

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
 FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2020  
 With Comparative Totals for the Year Ending December 31, 2019

	2019 TOTAL	2020 YTD ACTUAL	2020 ANNUAL BUDGET
<b>Fund Balance 1/1/XX:</b>	\$30,968	\$17,096	\$17,096
<b>REVENUES:</b>			
Taxes			
Miscellaneous	427		
Interest - Investments		164	400
Interest - Loans	-	-	-
Mortgage Payment	-	-	-
Fund Balance Usage	-	-	15,050
<b>TOTAL REVENUES</b>	<b>427</b>	<b>164</b>	<b>15,450</b>
<b>EXPENDITURES:</b>			
Supplies/Materials	23	13	50
Other Services/Charges	14,275	14,367	15,400
<b>TOTAL EXPENDITURES</b>	<b>14,298</b>	<b>14,380</b>	<b>15,450</b>
<b>REVENUES &gt; EXPENDITURES</b>	<b>(13,871)</b>	<b>(14,216)</b>	-
<b>FUND BALANCE</b>			
Fund Balance Usage	(13,871)	(14,216)	(15,050)
<b>FUND BALANCE 12/31/XX</b>	<b>\$17,097</b>	<b>\$2,880</b>	<b>\$2,046</b>



# GREDA Financial Summary – 2020 Capital Projects Fund

**CITY OF GRAND RAPIDS  
ECONOMIC DEVELOPMENT AUTHORITY  
SCHEDULE OF CHANGES IN REVENUE, EXPENDITURES, AND FUND BALANCE  
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2020**

**Fund Balance 1/1/20** **\$648,310**

**REVENUES:**

Taxes	56,221
Supplemental Aid	2,860
ST/MN-DEED Grant	133,313
ST/MN-IRRRB Grant	200,000
Interest- Investments	9,445
Interest- Loans	5,221
Miscellaneous	34
Natural Gas CIAC Fee	11,817
Manufacturing Hanger Rent	18,880
Rent- EDA House	18,000
Payment from Govt Unit	411,000
Principal-Loan Payments	42,001
Program Related Investment	650,000
Sale of Land held in Inventory	175,000
Loan Proceeds- EW Cap Loan	220,700

**TOTAL REVENUES** **\$1,954,492**

**EXPENDITURES:**

Blandin Foundation PRI Loan	1,065,119
Legal	555
Ainsworth Facility Redevelopment	25,907
Miscellaneous Projects	10,114
Downtown Block 18-21	3,973
Airport South Industrial Parks	31,199
Comm. Building Improvement Loan Program	594
DEED Development Programs	133,313
Manufacturing Hanger Expenses	48,525
Great River Acres Development	11
CARES Grant Payments	411,000

**TOTAL EXPENDITURES** **\$1,730,310**

**2019 REVENUES > EXPENDITURES** **\$224,182**

**FUND BALANCE 12/31/20 (1)** **\$872,492**

Please Note:

(1) The Fund Balance includes designations for the Comm Bldg Imprv Loans of \$17,791



## Work Plan – Overview of Process

---

The GREDA Board of Commissioners recently completed the development of their 2021 Work Plan. The work plan development process first involved a review of the unfinished business from the 2020 Work Plan, and a review of the goals stated within Economic Development Element of the Comprehensive Plan. From that exercise, the GREDA Commissioners identified a list of potential objectives for 2021. Those potential objectives were examined and ranked by the individual GREDA members, and, through additional group discussion, GREDA approved a list of priorities and a work approach for the issues they will take a lead role in completing and those that they will partner with others on.

In developing the list of priority issues, the GREDA considered the following criteria:

**Community impact:** If the goal is achieved, will the impact be substantial in the community?

**Chances of success:** Is the objective reasonably attainable?

**Resource availability:** Does EDA/City of Grand Rapids possess adequate resources to achieve this goal?

**EDA ownership:** But for the EDA, will any other entity, commission or department achieve this objective?

The resulting work plan can be found on the following four pages of this report.





# Grand Rapids Economic Development Authority 2021 Work Plan

* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Continue to support businesses during the COVID-19 Pandemic	Lead	<ul style="list-style-type: none"> <li>Consider the most effective use of future relief funding and deploy to those resources efficiently.</li> </ul>			
Market GREDA Services	Lead	<ul style="list-style-type: none"> <li>Continue: civic group presentations, business group presentations, press releases, City Facebook posts, Community Billboard messaging</li> <li>Website updates</li> </ul>	<ul style="list-style-type: none"> <li>Update/replace Industrial Park Development Site Signage.</li> </ul>		
Support the re-establishment of industry at the former Ainsworth site.	Lead	<ul style="list-style-type: none"> <li>Continue to pursue funding for infrastructure extensions from the Federal EDA, IRRR, DEED and the City of Cohasset.</li> <li>Communicate the positive regional impacts of the proposed redevelopment to state and federal legislators.</li> </ul>	<ul style="list-style-type: none"> <li>Support State legislation that establishes a production incentive for wood pellet manufacturing.</li> </ul>		<ul style="list-style-type: none"> <li>Consider the need for local business assistance such as; TIF or Tax Abatement.</li> </ul>
Support continual investment in medical technology, training, and marketing to enhance Grand Rapids position as the regional center for medical services.	Partner			<ul style="list-style-type: none"> <li>Visit with local medical representatives to gather input on actions that can support their growth.</li> </ul>	



* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Maximize the benefit of broadband infrastructure	Lead			<ul style="list-style-type: none"> <li>▪ Promote the area as the preferred place for telecommuting.</li> <li>▪ Investigate competitive opportunities to attract businesses that have a regional or national market, such as; insurance company back office, software maintenance and development services, and sales and consulting operations.</li> </ul>	
Support the growth and stability of existing businesses/entrepreneurs.	Partner	<ul style="list-style-type: none"> <li>▪ Participate in three BRE visits.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Participate in cluster analysis study commissioned by IEDC under their Federal EDA grant.</li> <li>▪ Present the Cluster Analysis findings to GREDA.</li> <li>▪ Support the implementation of the IEDC Launch MN grant, if received.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to promote the CBIL program.</li> </ul>	
Continue to support the development of a thriving Downtown.	Lead	<ul style="list-style-type: none"> <li>▪ Pursue the redevelopment of the former VFW site.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Continue to market and promote the redevelopment of GREDA Block 5 and Block 20/21 sites.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Prepare an updated Downtown Revitalization Plan that includes the downtown riverfront</li> </ul>	



* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Assist in redevelopment of strategic commercial sites, such as; Rebound (Sawmill), former Ray's Sport and Marine, Kremer's block and former K-Mart	Lead	<ul style="list-style-type: none"> <li>Feature these locations in contacts with commercial brokers.</li> <li>Discuss City/GREDA assistance options with listing agents.</li> <li>Ensure the sites are featured on northlandconnection.com</li> </ul>			
Support the development of a variety of new housing options and investment in maintaining existing housing stock	Lead	<ul style="list-style-type: none"> <li>Continue to market and complete sales of GREDA housing sites in Great River Acres.</li> </ul>		<ul style="list-style-type: none"> <li>Complete the SCDP single family owner-occupied housing rehabilitation program.</li> <li>Discuss possible role in the redevelopment of the former Forest Lake School site.</li> </ul>	
Address the lack of industrial building inventory	Lead	<ul style="list-style-type: none"> <li>Complete the industrial space demand analysis with Maxfield Research.</li> <li>Hire an architect to provide an estimate of building cost.</li> <li>Assemble a prototype-funding scenario that would generate a market ROI.</li> </ul>	<ul style="list-style-type: none"> <li>Market the opportunity to private investors/developers.</li> </ul>		
Promote retail growth and development	Lead		<ul style="list-style-type: none"> <li>Identify retail gaps and increase active recruitment of businesses that can meet market needs/opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Consider a collaboration with VGR to commission a study to assess demand for additional hotel and meeting space.</li> </ul>	
Work with county and regional partners to advocate for options that sustain tax base and address the long-term needs of important industrial power consumers in our region,	Support	<ul style="list-style-type: none"> <li>Continue staff participation in the MP Integrated Resource Plan Stakeholder Process</li> </ul>	<ul style="list-style-type: none"> <li>Collaborate with the County, City of Cohasset, regional industries, the Coalition of Utility Cities and MN Power.</li> </ul>		





* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
provided by the Clay Boswell MP site.					
Promote the use of the new turf field at GRHS to attract tourism and commerce	Support	<ul style="list-style-type: none"> <li>Work with ISD 318 and other to support and market events.</li> </ul>			
Engage with local/regional partners to explore GREDA's possible role in addressing the unmet need for additional childcare services.	Partner				<ul style="list-style-type: none"> <li>Invite appropriate partners to present information and discuss with GREDA the challenges that impact/deter the childcare services sector.</li> </ul>





## REQUEST FOR GRAND RAPIDS EDA ACTION

<b>Agenda Item #7</b>	<b>Meeting Date:</b> 4/8/21
<b>Statement of Issue:</b>	Consider authorizing issuance of a request for proposal for preliminary architectural services
<b>Background:</b>	<p>At the March 25<sup>th</sup> meeting, GREDA reviewed the completed <i>Market Assessment for Speculative Industrial Space in Grand Rapids, MN</i> prepared by Maxfield Research. The Study projects a demand for approximately 84 thousand square feet of new industrial space in Grand Rapids Primary Market Area between now and 2030 and that the current lack of industrial space is limiting our ability to attract new industry and retain existing businesses that need to expand.</p> <p>The Study further provided general development recommendations for a new 30 to 35 thousand square foot building that has the characteristics and features desired by many industrial businesses.</p> <p>As discussed previously, GREDA would prefer that the private sector lead in the development of industrial space to meet the demand, however, GREDA realizes that less predictable rates of absorption, market-rate lease rates, construction cost and carrying cost all present risks that precludes private investment that will likely require public participation to alleviate.</p> <p>The next step in the process is to retain the services of an architect to pre-design and estimate the cost of the building recommended in the Study and to estimate the operating cost of the building. The attached RFP seeks interest from prospective architects in that work.</p> <p>With the benefit of this information, GREDA will prepare a real estate proforma and prototype financing package that proactively addresses the risk factors and presents a business case for private investment.</p>
<b>Recommendation:</b>	Review and authorize issuance of a request for proposal for preliminary architectural services
<b>Required Action:</b>	Pass a motion authorizing the issuance of a request for proposal for preliminary architectural services.
<b>Attachments:</b>	RFP

## REQUEST FOR PROPOSALS

### **ARCHITECTURAL SERVICES ASSOCIATED WITH PRELIMINARY DESIGN AND BUDGETING FOR A SPECULATIVE INDUSTRIAL BUILDING IN GRAND RAPIDS, MINNESOTA**

#### **GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY CITY OF GRAND RAPIDS, MINNESOTA**

#### **BACKGROUND**

Through this Request for Proposals (RFP), the Grand Rapids Economic Development Authority (GREDA) seeks to identify a consultant to assist in the planning, early stage design, cost estimating and projection of operational costs for a speculative industrial space in Grand Rapids.

GREDA recently completed a study commissioned to examine demand for industrial space within a primary market area around Grand Rapids. The (Study), *A Market Assessment for Speculative Industrial Space in Grand Rapids, Minnesota*, was prepared by Maxfield Research and Consulting and is attached to this RFP for reference.

As anticipated, the Study confirmed that there was insufficient available space in the Grand Rapids market area possessing the characteristics and features desired by the mix of light manufacturing, processing and distribution businesses Grand Rapids is expected to attract. Based upon the analysis of demand, the Study also provided development recommendations for a 30,000 to 35,000 square foot speculative space that incorporates some consistent features, current in the market today, while still allowing customization to meet the needs of different users. The consultant selected for this project will use the Study recommendations to guide their work.

GREDA prefers that unmet market demand for industrial space be addressed through private investment in the development of a speculative building, however, we recognize that a slower or less predictable rate of absorption, market-area lease rates, construction cost, and carrying cost likely present risks that, without public assistance, act to curtail private investment interest. GREDA requires the services outlined in this RFP so that GREDA can prepare a real estate proforma and prototype financing package that proactively addresses these limitations and presents a business case for private investment.

#### **PROJECT SCHEDULE**

GREDA is on a schedule for consultant selection that leads to formal action by the GREDA to hire a consultant at their regular meeting on May 13, 2021, and expects the project to begin, in earnest, shortly thereafter.

Intermediate milestones in the completion of the work tasks will be established after the successful consultant is selected. The project should be finalized no later than July 31, 2021.

#### **REQUIRED PROJECT DELIVERABLES**

Copies of the conceptual design documents, plans, and any other final documents containing text and graphics, shall be provided in electronic Adobe PDF format or an acceptable alternative. Construction cost estimates shall be provided in Excel format.

## **DESIRED PROJECT OUTCOMES/STATEMENT OF WORK**

The project will consist of the required level of architectural pre-design and schematic design to develop a concept and sufficiently accurate cost estimates for the speculative industrial building generally described within the Study. An itemized cost estimate, floor plan and elevations of the concept together with a complete description of building materials and systems incorporated into the conceptual building design and cost estimate shall be included in the deliverables.

In addition to estimated construction cost, the project will include development of estimated annual operational costs for the building.

The consultant shall also prepare a conceptual civil site plan together with an itemized site development cost estimate, based upon suitable combination of the GREDA owned sites represented in the maps attached to this RFP.

The information should be assembled in a clear and concise report format.

## **PROPOSAL CONTENTS**

The consultant's proposal should include, but not be limited to the following information:

- Company background – brief statement of company history and relevant experience.
- A summary of the consultant team and qualifications of individuals that will work on the project.
- A general restatement and/or enhancement of the project scope and the desired project outcomes.
- A work plan and methodology that will lead to the desired outcomes.
- A proposed project schedule.
- A description of a similar project with references.
- A list of project deliverables
- A cost proposal for providing the requested consultant services. The cost proposal shall be in the form of an "hourly, not to exceed fee" listing personnel costs and individual rates as well as reimbursable expenses.

Consultants will be evaluated by a review committee, including the GREDA Executive Director and two representatives from the GREDA Board, based upon their experience, their proposed approach or process, demonstrated capacity to meet the needs of the project and proposed fee.

Cost proposals shall be broken down by work task. The proposal shall provide sufficient detail to allow GREDA to negotiate, with the selected firm, refinements in the scope of work to reduce expenses, if necessary.

## **PROPOSAL SUBMITTAL**

Proposals shall be submitted by email or mail to:

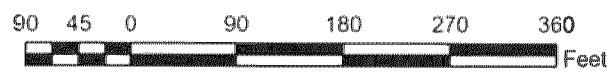
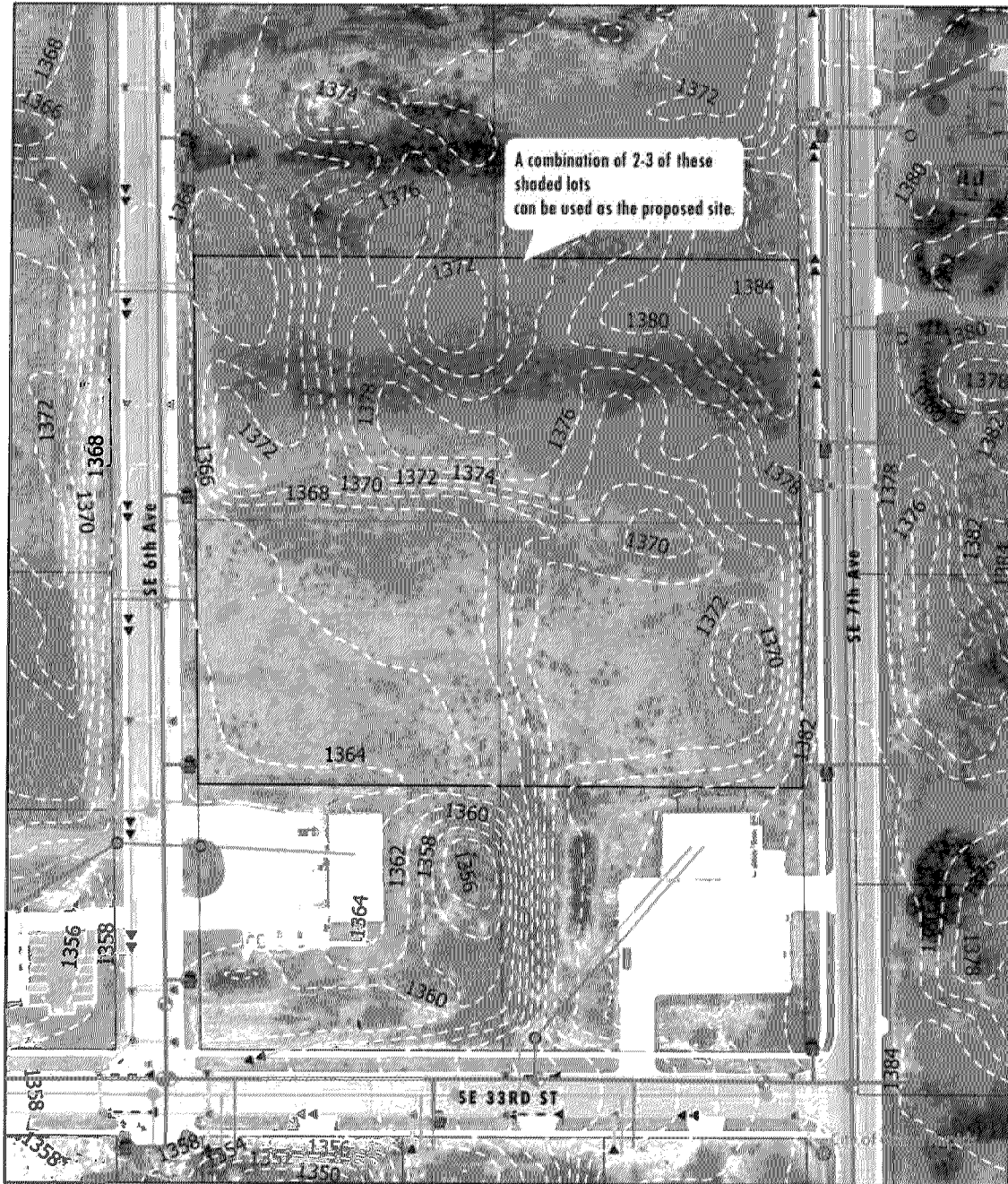
Rob Mattei  
Grand Rapids Economic Development Authority  
420 N. Pokegama Ave.  
Grand Rapids, MN 55744

Email: [rmattei@ci.grand-rapids.mn.us](mailto:rmattei@ci.grand-rapids.mn.us)

Proposals must be received by 4:00 p.m., April 30, 2021

Direct questions regarding the proposal process to Rob Mattei at (218) 326-7622 or at [rmattei@ci.grand-rapids.mn.us](mailto:rmattei@ci.grand-rapids.mn.us)

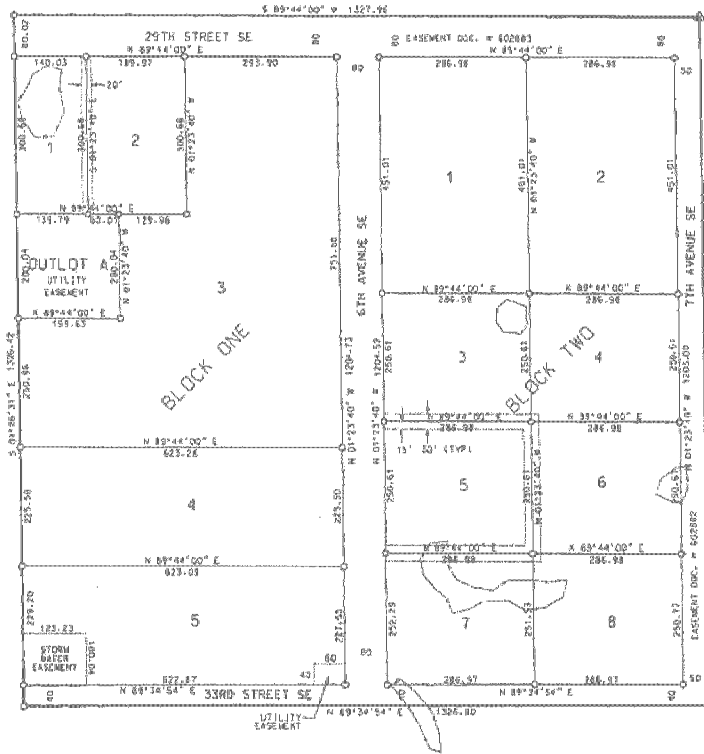
# SITE MAP



- |  |   |  |   |
|--|---|--|---|
| <p><b>Sanitary Manholes</b></p> <ul style="list-style-type: none"> <li>● Manhole</li> <li>○ Valve Manhole</li> </ul> <p><b>Water Service Lines</b></p> <ul style="list-style-type: none"> <li>— Water Mains</li> <li>— Sanitary Mains</li> </ul> | <p><b>Storm Manholes</b></p> <ul style="list-style-type: none"> <li>○ Catch Basin</li> <li>● Manhole</li> <li>⊗ Utility Chamber</li> </ul> <p><b>Storm Pipes</b></p> <ul style="list-style-type: none"> <li>▶ Main</li> <li>▶ - Drain Tile</li> </ul> | <p><b>Water Valves</b></p> <ul style="list-style-type: none"> <li>⊠ Check</li> <li>⊙ Gate</li> <li>⊖ Swing</li> <li>○ Service</li> </ul> <p><b>Culvert</b></p> <ul style="list-style-type: none"> <li>— Culvert</li> </ul> | <p><b>Water Mains</b></p> <ul style="list-style-type: none"> <li>— Distribution</li> <li>— Transmission</li> <li>— Fire</li> <li>— Lead</li> <li>● Fire Hydrants</li> <li>— 2ft Contours</li> <li>□ Grand Rapids Tax Parcels</li> </ul> |
|--|---|--|---|

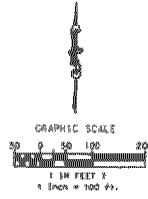
**PLAT MAP**

# AIRPORT SOUTH INDUSTRIAL PARK - PHASE 1

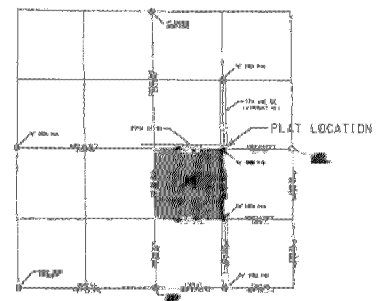


**LEGEND**

- PLAT BOUNDARY
- SURVEY MONUMENT FOUND
- 3/4" REBAR SET RLS #15298
- △ P-C MAIL
- - - LOT LINE
- BLOCK LINE
- UTILITY EASEMENT LINE  
NOTE: UTILITY EASEMENT ENCOMPASSES ALL OF OUTLOT A.
- - - DELIMITED NEILAND BOUNDARY



**GRAND RAPIDS  
SEC 33 - T55N - R24W**



← BASIS OF BEARINGS  
11ASCA COUNTY SOUTH ZONE COORDINATES

PREPARED BY: **SEN**  
21 NE 5TH STREET  
SUITE 250  
GRAND RAPIDS, MN  
55744  
SEN # MSRANR10.00

SHEET 2 OF 2



## REQUEST FOR GRAND RAPIDS EDA ACTION

<b>Agenda Item #8</b>	<b>Meeting Date:</b> 4/8/21
<b>Statement of Issue:</b>	Consider adopting a resolution approving First Amendment to and Partial Termination of Purchase Agreement for the Sale of 865 & 895 SW 22nd Avenue
<b>Background:</b>	<p>On February 11 of this year, GREDA approved a Purchase and Development/Option Agreement with Mohammad and Ashifa Siddiqui for the purchase of Lot 8, Block 2 of Great River Acres for the asking price of \$25,500. The Agreement also contained an 18-month option for the Siddiquis to purchase the adjoining Lot 7, Block 2.</p> <p>Prior to the planned closing, the Siddiquis reconsidered their desire to obtain an option of the adjoining lot.</p> <p>The amendment to the original Agreement removes all references to the option. The new closing date is April 12<sup>th</sup>.</p>
<b>Recommendation:</b>	
<b>Required Action:</b>	Pass a motion adopting a resolution approving First Amendment to and Partial Termination of Purchase Agreement for the Sale of 865 & 895 SW 22nd Avenue
<b>Attachments:</b>	<ul style="list-style-type: none"><li>• Resolution</li><li>• First Amendment to and Partial Termination of Purchase Agreement for the Sale of 865 &amp; 895 SW 22nd Avenue</li></ul>

## **FIRST AMENDMENT TO AND PARTIAL TERMINATION OF PURCHASE AND DEVELOPMENT/OPTION AGREEMENT**

This First Amendment to and Partial Termination of Purchase and Development/Option Agreement (the "Amendment") is dated as of April \_\_, 2021, by and between GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota ("Seller"), and MOHAMMED AND ASHIFA SIDDIQUI, married to each other ("Buyer").

### **RECITALS**

A. Seller and Buyer executed a certain Purchase and Development/Option Agreement, dated as of February 12, 2021, (the "Agreement"), pursuant to which Seller agreed to convey certain property to Buyer and grant an option to Buyer (the "Option") to purchase certain additional property described in the Agreement.

B. Buyer has informed Seller that it will no longer pursue the Option as provided in the Agreement, and therefore the parties desire to effect a partial termination of the Agreement to remove any obligations of the parties in connection with the Option.

C. In addition to the partial termination, the parties desire to extend the date of closing provided in the Agreement and to amend certain terms defined in the Agreement.

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:

1. Termination of Option Agreement. Buyer's option to purchase Lot 7, Block 2, plat of Great River Acres, Itasca County, Minnesota ("Parcel 2") is hereby terminated. All references in the Agreement to any rights or obligations of the parties with regard to Parcel 2 are to be disregarded.

2. Amendment to paragraph 2 of the Agreement. Paragraph 2 of the Agreement is amended as follows:



**Offer/Acceptance.** Buyer offers to purchase and Seller agrees to sell real property legally described as Lot 8, Block 2, plat of Great River Acres, Itasca County, Minnesota (the "Property"), located at 895 SW 22<sup>nd</sup> Avenue in the City of Grand Rapids, Minnesota (the "City").

2. Amendment to defined terms. References to the following terms are amended as follows:

All references to "Parcel 1" are replaced by "Property."

All references to the Parcel 1 Date of Closing are replaced by "Date of Closing."

3. Deletion of paragraphs 3, 5(b), 6, and 7 of the Agreement; amendment of Paragraph 5(a) of the Agreement. Paragraphs 3, 5(b), 6, and 7 of the Agreement are deleted in their entirety. Paragraph 5(a) is amended to provide that the Date of Closing shall be no later than April 15, 2021.

4. Amendment to paragraph 9 of the Agreement. Paragraph 9 of the Agreement is amended as follows:

**Deed.** Upon performance by Buyer, Seller shall deliver a Quit Claim Deed conveying title to the Property to Buyer, in substantially the form attached hereto as Exhibit A, subject to the conditions subsequent required by Sections 15, 16, and 17 of this Agreement (the "Deed").

4. Amendment to paragraph 10 of the Agreement. Paragraph 10 of the Agreement is amended as follows:

**Real Estate Taxes and Special Assessments.**

A. Seller shall pay, at or before closing on the Property, all real estate taxes due and payable in all years prior to the year of closing. Real estate taxes due and payable in the year of closing, if any, shall be pro-rated to Seller and Buyer based on the Date of Closing.

B. Seller represents that as of the date of this Agreement, there are special assessments in the amount of \$21,297.21 levied against the Property. On the Date of Closing, Seller shall apply \$21,297.21 of the Purchase Price to payment of all special assessments levied against the Property as of the date of this Agreement, including those certified for payment in the year of closing.

5. Amendment to paragraph 15 of the Agreement. The first paragraph of paragraph 15 of the Agreement is amended as follows:

**Title Clearance and Remedies.** In the event that title to the Property cannot be made marketable or is not made marketable by the Seller by the Date of Closing, then, at the option of the Buyer: this Agreement shall be null and void; neither party shall be liable for damages hereunder to the other; the Earnest Money shall be refunded to the Buyer; and Buyer and Seller agree to sign a cancellation of this Agreement.

6. Amendment to paragraphs 18 and 19 of the Agreement. Paragraphs 18 and 19 of the Agreement are amended to delete all references to any rights or obligations of the parties with regard to Parcel 2, and all references to “each Parcel,” “either Parcel,” and the like shall be replaced by “the Property.”

7. Amendment to Exhibit C of Agreement. Exhibit C of the Agreement is amended in its entirety in the form attached to this Amendment.

8. Miscellaneous. Except as modified by this Amendment, the Agreement shall remain in full force and effect.

(Signature pages follow.)

IN WITNESS WHEREOF, the Seller and the Buyer have caused this Amendment to be duly executed by their duly authorized representatives.

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 April, 2021, by \_\_\_\_\_ and \_\_\_\_\_, the President and Executive Director of the Grand Rapids Park Economic Development Authority, a public body corporate and politic, on behalf of the Authority.

\_\_\_\_\_  
Notary Public

THIS INSTRUMENT WAS DRAFTED BY:

Kennedy & Graven, Chartered (MNI)  
470 U.S. Bank Plaza  
200 South Sixth Street  
Minneapolis, Minnesota 55402

**BUYER: Mohammad and Ashifa Siddiqui, married to each other**

By: \_\_\_\_\_  
Mohammad Siddiqui

By: \_\_\_\_\_  
Ashifa Siddiqui

STATE OF MINNESOTA

} ss.

COUNTY OF ITASCA

The foregoing was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_ 2021, by  
Mohammad Siddiqui and Ashifa Siddiqui, married to each other.

*NOTARY STAMP*

\_\_\_\_\_  
SIGNATURE OF PERSON TAKING ACKNOWLEDGMENT

**Exhibit C to Purchase and  
Development Agreement**

**Form of Certificate of Completion**

WHEREAS, the Grand Rapids Economic Development Authority, a public body, corporate and politic (the "Grantor"), conveyed land in Itasca County, Minnesota to Mohammad and Ashifa Siddiqui, married to each other (the "Grantee"), by a Deed recorded in the Office of the County Recorder [and/or in the Office of the Registrar of Titles] in and for the County of Itasca and State of Minnesota, as Document Number \_\_\_\_\_;

and

WHEREAS, said Deed is subject to a Purchase and Development/Option Agreement as amended by a First Amendment and Partial Termination thereto, both recorded in the Office of the County Recorder [and/or in the Office of the Registrar of Titles] in and for the County of Itasca and State of Minnesota, as Document Numbers \_\_\_\_\_ and \_\_\_\_\_ respectively (together, the "Agreement"), which contained certain covenants and restrictions as to the Property (as such term is defined in the Agreement), as set forth in Sections 18A, 18B, 18C, 18D and 18E thereof; and

WHEREAS, said Grantee has performed said covenants and conditions insofar as it is able in a manner deemed sufficient by the Grantor to permit the execution and recording of this certification;

NOW, THEREFORE, this is to that all building construction and other physical improvements specified to be done and made by the Grantee have been completed and the above covenants and conditions in said Deed and the agreements and covenants in Sections 18A and 18B of the Agreement have been performed by the Grantee therein, and the County Recorder [and/or the Registrar of Titles] in and for the County of Itasca and State of Minnesota are hereby authorized to accept for recording and to record, the filing of this instrument, to be a conclusive determination of the satisfactory termination of the covenants and conditions of Sections 18A and 18B of the Agreement and the covenants and restrictions set forth in Section 1 of said Deed; provided that the covenants set forth in Sections 18F of the Agreement, and in Section 2 of the Deed, remain in full force and effect through the period stated thereon.

Dated: \_\_\_\_\_, 20\_\_.

GRAND RAPIDS ECONOMIC DEVELOPMENT  
AUTHORITY

By \_\_\_\_\_  
Authority Representative

STATE OF MINNESOTA     )  
  ) ss  
COUNTY OF ITASCA     )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 20\_\_, by \_\_\_\_\_, the \_\_\_\_\_ of the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of Minnesota, on behalf of the authority.

\_\_\_\_\_  
Notary Public

This document drafted by:  
KENNEDY & GRAVEN, CHARTERED  
150 South Fifth Street, Suite 700  
Minneapolis, MN 55402  
(612) 337-9300

EDA RESOLUTION NO. \_\_\_\_\_

**RESOLUTION APPROVING FIRST AMENDMENT TO  
AND PARTIAL TERMINATION OF PURCHASE  
AGREEMENT FOR THE SALE OF 865 and 895 SW 22<sup>nd</sup>  
AVENUE BY THE GRAND RAPIDS ECONOMIC  
DEVELOPMENT AUTHORITY**

BE IT RESOLVED BY the Board of Commissioners ("Board") of the Grand Rapids Economic Development Authority (the "Authority") as follows:

Section 1. Recitals.

1.01. The Authority and Mohammad and Ashifa Siddiqui (together, the "Buyer") previously entered into a purchase and development/option agreement (the "Agreement") pursuant to which the Authority agreed to (i) convey to the Buyer certain property located at 895 SW 22<sup>nd</sup> Avenue in the Great River Acres subdivision in the City of Grand Rapids (the "City") for construction of a single-family home ("Parcel 1"); and (ii) grant to the Buyer an option to purchase certain property located at 865 SW 22<sup>nd</sup> Avenue in the Great River Acres subdivision in the City ("Parcel 2" and together with Parcel 1, the "Property"). The Property is described in Exhibit A attached hereto.

1.02. Due to circumstances beyond the control of the parties, the Buyer has requested an amendment to the Agreement in order to terminate the Buyer's option for the purchase of Parcel 2 and to extend the date of closing for Parcel 1, and counsel to the Authority has prepared a First Amendment to and Partial Termination of the Agreement (the "Amendment") for consideration by the Authority, in the form presented to the Board.

1.03. The Authority finds that the Amendment as provided to the Board is necessary and desirable in light of the circumstances.

Section 2. Amendment Approved.

2.01. The Authority hereby approves the Amendment in substantially the form presented to the Authority, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Amendment by those officials shall be conclusive evidence of their approval.

2.02. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Agreement (as amended by the Amendment) as a whole, including without limitation execution of the deed or of any other documents to which the Authority is a party referenced in or attached to the Agreement as amended, and any other documents necessary to convey the Property to the Buyer, all as described in the Agreement as amended.

Approved this 8th day of April, 2021, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

\_\_\_\_\_  
President

ATTEST:

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



**EXHIBIT A**

**PROPERTY**

Parcel 1:

Lot 8, Block 2, plat of Great River Acres, Itasca County, Minnesota

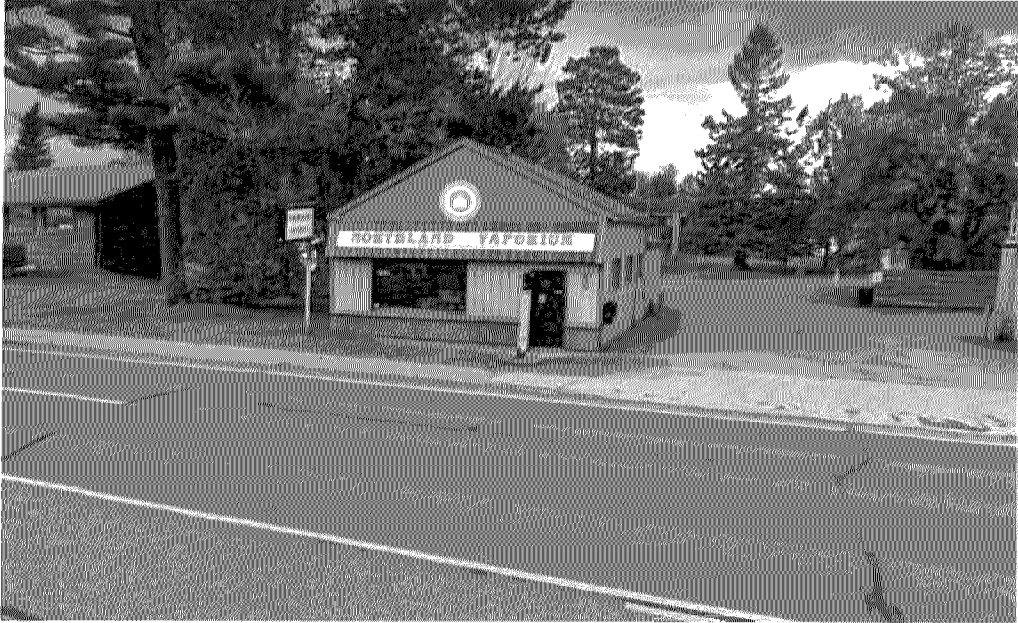
Parcel 2:

Lot 7, Block 2, plat of Great River Acres, Itasca County, Minnesota



## REQUEST FOR GRAND RAPIDS EDA ACTION

<b>Agenda Item #9</b>	<b>Meeting Date: 4/8/21</b>
<b>Statement of Issue:</b>	Consider approval of a Commercial Building Improvement Loan to Absolute PCA for improvements to the commercial building located at 1407 NW 4th St.
<b>Background:</b>	<p>Lisa and Dean Carsrud are the owners of Absolute PCA, a business that provides traditional personal care, respite and homemaking services to those in need. The Carsruds have been leasing space for their business at 4 NE 3<sup>rd</sup> St, but in December of 2020 purchased the commercial building located at 1407 NW 4<sup>th</sup> St. (Hwy. 2) and are renovating it for their new location.</p> <p>The renovation, at a proposed cost of \$84,000, involves new interior walls, flooring and ceiling, electrical upgrades, new signage, and new furnace. All of these improvements are eligible expenses under the CBIL Guidelines.</p> <p>The CBIL program can provide financing for up to 75% of the project cost, or \$40,000, whichever is less. The Carsruds have requested the full amount their project is eligible for, \$40,000. The balance of the project expense they intend to fund with cash.</p> <p>CBIL program loans are secured by a mortgage and promissory note and are provided currently at an interest rate of 2%, amortized over 20 years with a 5-year balloon.</p> <p>Commissioner Jackson, Commissioner O'Leary and Staff, as the review Committee, have reviewed the application and its required submittals and are recommending approval of the requested loan.</p>
<b>Recommendation:</b>	
<b>Required Action:</b>	Adopt a motion approving a Commercial Building Improvement Loan to Absolute PCA for improvements to the commercial building located at 1407 NW 4th St.
<b>Attachments:</b>	Loan application form without attachments.





**Commercial Building Improvement Loan Application**  
 Grand Rapids Economic Development Authority  
 c/o Community Development Department  
 420 North Pokegama Ave.  
 Grand Rapids, MN 55744  
 Tel. (218) 326-7601 Fax (218) 326-7621  
 www.grandrapidsmn.org

Community Development Office Use Only	
Date Received	3/24/2021
GREDA Review Date	_____
GREDA Approval	_____

**Applicant Information:**

The undersigned do hereby respectfully request the Grand Rapids Economic Development Authority's consideration of a Commercial Building Improvement Loan: *(If the applicant is not the property owner, the property owner must, also, sign the application.)*

Dean + Lisa Carsrud  
 Name of Applicant (print)  
1407 NW 4th St (Business)  
 Address  
Grand Rapids MN 55744  
 City State Zip  
218-301-0461 info@absolutepea.org  
 Telephone/ E-Mail  
NA

Dean + Lisa Carsrud  
 Name of Owner (print)  
3188B Southwood Rd (home)  
 Address  
Grand Rapids MN 55744  
 City State Zip  
218-259-1133, lcarsrud@gmail.com  
 Telephone/E-Mail

Doing business as: \_\_\_\_\_

What is your interest in the building/property? *(check one)*

- Own the Business                       Lease the building  
 Purchasing the building on contract for deed       Other: \_\_\_\_\_

**Project Information:**

Tax Parcel # 917051335                      Existing Zoning: Business  
 Existing Use: Business - Retail                      Proposed Use: Business

Property Address / Location: \_\_\_\_\_

Legal Description: East 50 feet of lots 13 through 18, block 13, Syndicate division of Grand Rapids  
*(attach additional sheet if necessary)*

Description of your proposed commercial building improvement project: New doors, flooring, ceiling, electric, new furnace, Adding walls to create office space, painting interior + exterior  
*(attach additional sheet if necessary)*

Are you coordinating your project with any neighboring businesses?  Yes  No

If yes, please provide their name(s) and the nature of their project(s): \_\_\_\_\_

When would you like to begin your project? January 2020

How much time will be needed to complete the project? 4-5 months (in process)

If your project is located in the CBD (Central Business District), please explain how it furthers the objectives stated within the *Downtown Redevelopment Master Plan*. *(if applicable)*

*(attach additional sheet if necessary)*

**Project Cost/Financing:**

The GREDA Commercial Building Improvement Loan Program may finance up to 75% or \$40,000 of eligible project costs, whichever is less.

Please provide a breakdown of this estimated cost by construction category (*attach copies of quotes*):

Construction Item/Category	Estimated Cost (Quote)
Licensed Contractor	26,277.00
Polegrom Electric	5,886.00
Eck Design - Signs	12,673.44
Plumbing	18,000.00
Cabinetry	2,483.69
<b>Total Estimated Cost:</b>	

(attach additional sheet if necessary)

Please provide a list of proposed/secured financing sources:

Source	Secured (yes/no)	Amount
GREDA Commercial Bldg. Improvement Loan (requested amount)		
Bank		
Cash	Yes	
Other (specify) _____		
Other (specify) _____		
<b>Total \$</b>		

**Required Submittals with Application:**

- Application Fee - \$150.00
- Building/Site Photos
- Concept Plan
- Copies of Tax Returns (past 3 years)
- Cash Flow Projections (3 years)\*
- Estim. Income Statements (3 years)\*
- Business Plan
- Letters of Commitment
- Credit Report
- Evidence of ownership in the form of title insurance, title opinion, or copy of deed
- Marketing Information

\* MN Small Business Development Center at Itasca Economic Development Corp. can assist with this, free of charge.

**If Loan is Approved, Additional Submittals Required Prior to Disbursement of Funds:**

- Verification that building is insured at a level equal to its value, with the GREDA listed as an additional insured.
- Ownership and encumbrance report
- Copies of receipts for project expenses.
- Verification from the City Building Official that the project is complete.
- Security: Personal guarantee in the form of a Promissory Note (*form provided by City*) and a mortgage.

**INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED**

More information may be requested by the Grand Rapid Economic Development Authority, if deemed necessary, to properly evaluate your request.

I certify that, to the best of my knowledge, information, and belief, all of the information presented by me in this application is accurate and complete and includes all required information and submittals, and that I consent to entry upon the subject property by public officers, employees, and agents of the City of Grand Rapids wishing to view the site for purposes of processing, evaluating, and deciding upon this application. Further, I have read and fully understand the CBIL Program Guidelines described as Exhibit A to GREDA Resolution 08-03.

\_\_\_\_\_  
Signature(s) of Applicant(s)

3-22-21  
\_\_\_\_\_  
Date

## Estimate Cost Addendum

Mangseth Painting (exterior)	\$3,740.00
Amy Gottlieb Painting (interior)	\$1,390.00
Erickson Itasca Lumber	\$4,414.01
Home Depot	\$2483.69
Floor To Ceiling	\$6,681.20



## REQUEST FOR GRAND RAPIDS EDA ACTION

**Agenda Item #10**

**Meeting Date:** 4/8/21

**Statement of Issue:**

Consider adopting a resolution granting a forbearance to the RL Enterprises Commercial Building Improvement Loan.

**Background:**

On May 10, 2012 GREDA approved a Commercial Building Improvement Loan to Rayno L. Lillo, RL Enterprises, for improvements to a building located at 820 NE 4<sup>th</sup> St.

The original CBIL loan was in a principal amount of \$21,750.00. Following the program guidelines, the loan was at a 4% interest rate, amortized over a twenty-year term with a five-year balloon payment of \$17,991.96 due on January 1, 2018.

Mr. Lillo was purchasing the property on a contract for deed, but unfortunately did not meet an obligation of the contract and the owner terminated it.

In an effort to satisfy his obligation with GREDA, he requested GREDA to extend his loan. On March 22, 2018, GREDA approved a security agreement with RL Enterprises as well as a promissory note for a principal amount of \$17,716 over a term of 7 years at 4% interest. This loan had the final payment scheduled for 3/1/25. The security agreement grants a security interest in two pieces of equipment owned by RL Enterprises, a tractor backhoe and a bucket truck.

In April of 2020, GREDA granted a 4-month interest free forbearance to all of its CBIL recipients. Prior to that, RL Enterprises had been timely with all of their monthly payments. Following that 4-month deferment, due to a slowdown in their business, payments have not resumed. The current principal balance is \$12,907.60.

After speaking with Mr. Lillo, he feels that he can resume his payments in July. Staff consulted with Commissioners Jackson and O'Leary and our recommendation is to grant an extended interest free forbearance until July of this year. The monthly compounding interest rate of 4% will remain and the payments will stay at \$241.35/month with a projected final payment on 5/1/26.

**Recommendation:**

**Required Action:**

Pass a motion adopting a resolution granting a forbearance to the RL Enterprises Commercial Building Improvement Loan.

**Attachments:**

(Resolution will be forwarded separately)