



## **GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

**Wednesday, March 3, 2021  
4:00pm Special Meeting  
Grand Rapids City Hall**

NOTICE IS HEREBY GIVEN, that a special 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 Wednesday, March 3, 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. Consider approval of minutes from the February 11, 2020 regular meeting.
4. Consider approval of claims
5. Consider approval of a resolution supporting Minnesota Senate File 1163 and Minnesota House File 1486 establishing an incentive for the production of wood pellets.
6. Updates:
  - a. Federal EDA Grant
7. Adjourn

#### GREDA Commissioners/terms:

Rick Blake – 12/31/2022 (with council term)  
Tasha Connelly– 12/31/2024 (with council term)  
Mike Przytarski – 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, FEBRUARY 11, 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, January 14, 2021 at 4:00 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, Mike Korte, Mike Przytarski, Tasha Connelly. Absent: Cory Jackson

**SETTING OF REGULAR AGENDA:** Approved with addition.

- Consider adoption of a resolution approving a purchase and development/option agreement for the sale of 865 and 895 SW 22<sup>nd</sup> Avenue.

**APPROVAL OF MINUTES:**

**MOTION BY COMMISSIONER KORTE, SECOND BY COMMISSIONER O’LEARY TO APPROVE THE MINUTES OF THE JANUARY 14, 2021 REGULAR MEETING. The following roll call vote was taken: Yea: R. Blake, Connelly, Przytarski, Korte, O’Leary, S. Blake. Nay: None, passed unanimously.**

**APPROVAL OF CLAIMS:**

**MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER R. BLAKE TO APPROVE CLAIMS IN THE AMOUNT OF \$177,192.74.**

First American Title	\$133,608.90	Itasca County H.R.A	\$34,120.20
Kennedy & Graven	\$5443.50	MN DEED	\$2,000.00
Northern Star Cooperative	\$279.25	P.U.C	\$240.59
The Northspan Group INC	\$1,500.00		

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

Consider approval of a revised GREDA Land Pricing Policy.

Mr. Mattei reviewed the changes with the Commissioners and they decided on a price of \$149,500 for the former Rose/VFW properties.

**MOTION BY COMMISSIONER KORTE, SECOND BY COMMISSIONER JACKSON TO APPROVE THE GREDA 2021 WORK PLAN. The following roll call vote was taken: Yea: R. Blake, Connelly, Przytarski, Korte, O’Leary, S. Blake. Nay: None, passed unanimously.**

Consider approval of a Commercial Listing Contract With Wellson Group Inc.

The contract is the same as the contract that was approved on July 25<sup>th</sup>, 2019, which has since expired. Mr. Welliver has provided and updated contract, the new contract will expire December 31<sup>st</sup>, 2021. As the previous agreement stated, the compensation would be 3% of the sale price and would reserve GREDA's right to sell to a buyer that they secured without compensation to Wellson.

**MOTION BY COMMISSIONER CONNELLY, SECOND BY COMMISSIONER KORTE TO APPROVE A COMMERCIAL LISTING AGREEMENT WITH WELLSON GROUP INC. The following roll call vote was taken: Yea: O'Leary, Korte, Przytarski, Connelly, R. Blake, S. Blake. Nay: None, passed unanimously.**

Consider adoption of a resolution approving a purchase and development/option agreement for the sale of 865 and 895 SW 22<sup>nd</sup> Avenue by the Grand Rapids EDA.

Mohammad and Ashifa Siddiqui, desire to purchase Lot 8, Block 2 of Great River Acres for the asking price of \$25,500. The Siddiquis also wish to purchase an 18-month option for the adjoining Lot 7, Block 2. The option price of \$1,500 will be applied to the established purchase price of \$25,000, should the Siddiquis exercise the option. If the Siddiquis choose not to exercise the option, the option price is non-refundable.

The Siddiquis plan to build their own home on Lot 8, and are reserving the adjacent lot for their daughter to build a home following her completion of medical school.

GREDA held a Public Hearing on November 14, 2019 to consider approving a plan for conveyance of Lots 2, 3, 4, 5, 6, 7, and 8, Block 2 and Lots 1, 2, 3, 4, 5, 6, 7 and 8, Block 3, all in the plat of Great River Acres.

Therefore, a public hearing to consider this sale is not necessary.

**MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER KORTE TO ADOPT RESOLUTION 21-02 APPROVING A PURCHASE AND DEVELOPMENT/OPTION AGREEMENT FOR THE SALE OF 865 AND 895 SW 22<sup>ND</sup> AVENUE BY THE GRAND RAPIDS EDA. The following roll call vote was taken: Yea: R. Blake, Connelly, Przytarski, Korte, O'Leary, S. Blake. Nay: None, passed unanimously.**

Updates:

Industrial Market Analysis- The consultant has conducted interviews and done demographic research.

There being no further business the meeting adjourned at 4:48 p.m.

Respectfully submitted:

\_\_\_\_\_  
Aurimy Groom, Recorder

EDA BILL LIST - MARCH 3, 2021

DATE: 02/26/2021  
 TIME: 09:08:44  
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/03/2021

VENDOR #	NAME	AMOUNT DUE
-----		
EDA - CAPITAL PROJECTS		
MISCELLANEOUS PROJECT		
1801613	RAPIDS PRINTING	551.50
TOTAL MISCELLANEOUS PROJECT		551.50
COM BLDG IMP LOAN		
1105530	KENNEDY & GRAVEN	72.00
TOTAL COM BLDG IMP LOAN		72.00
DOWNTOWN REDVELPMNT BLK 18-21		
1105530	KENNEDY & GRAVEN	4,291.30
1801613	RAPIDS PRINTING	275.75
TOTAL DOWNTOWN REDVELPMNT BLK 18-21		4,567.05
AIRPORT SOUTH INDUSTRIAL PARKS		
1415511	NORTHERN STAR COOPERATIVE SERV	306.09
1801613	RAPIDS PRINTING	827.25
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		1,133.34
MANUFACTURING HANGAR		
0718010	CITY OF GRAND RAPIDS	2,453.10
1105530	KENNEDY & GRAVEN	2,446.00
TOTAL MANUFACTURING HANGAR		4,899.10
AINSWORTH FACILITY REDEVELPMNT		
0508450	EHLERS AND ASSOCIATES INC	405.00
1215630	LOREN SOLBERG CONSULTING, LLC	1,200.00
TOTAL AINSWORTH FACILITY REDEVELPMNT		1,605.00
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$12,827.99
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1309199	MINNESOTA ENERGY RESOURCES	209.33
1621130	P.U.C.	700.98
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF		\$910.31
TOTAL ALL DEPARTMENTS		\$13,738.30

**SENATE  
STATE OF MINNESOTA  
NINETY-SECOND SESSION**

**S.F. No. 1163**

(SENATE AUTHORS: **UTKE and Eichorn**)

DATE  
02/18/2021

D-PG

456

Introduction and first reading

Referred to Energy and Utilities Finance and Policy

OFFICIAL STATUS

- 1.1 A bill for an act
- 1.2 relating to energy; establishing a program to provide financial incentives for the
- 1.3 production of wood pellets; appropriating money; proposing coding for new law
- 1.4 in Minnesota Statutes, chapter 216B.
- 1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:
- 1.6 Section 1. [216B.2427] WOOD PELLET PRODUCTION INCENTIVE.
- 1.7 Subdivision 1. Definitions. (a) For the purposes of this section, the following terms have
- 1.8 the meanings given.
- 1.9 (b) "Forest residue" means unused portions of harvested trees and materials from diseased,
- 1.10 distressed, or burned trees that are processed into chips or sawdust in the field near the
- 1.11 forested area from which the tree or tree material is supplied.
- 1.12 (c) "Residual materials" means forest and wood mill residue.
- 1.13 (d) "Wood mill residue" means wood residue generated at a manufacturing plant that
- 1.14 processes harvested trees into products, including but not limited to lumber and sheathing,
- 1.15 that are suitable for processing into chips or sawdust.
- 1.16 (e) "Wood pellets" means a pellet manufactured from forest and wood mill residuals
- 1.17 that is burned to produce heat or electricity.
- 1.18 Subd. 2. Eligible facility. (a) To be eligible for payments under this section, a facility
- 1.19 must:
- 1.20 (1) be located in Minnesota;

2.1 (2) dry and process residual materials from Minnesota forests and sawmills into wood  
2.2 pellets;

2.3 (3) begin construction no later than December 31, 2022;

2.4 (4) produce at least 50,000 metric tons of wood pellets annually; and

2.5 (5) certify that all contractors and subcontractors pay employees constructing the facility  
2.6 no less than the prevailing wage rate, as defined in section 177.42.

2.7 (b) An eligible facility is prohibited from transferring eligibility for payments under this  
2.8 section to a facility at a different location.

2.9 (c) An eligible facility that ceases production for any reason is prohibited from receiving  
2.10 payments under this section until the eligible facility resumes production.

2.11 (d) Payments under this section may be made to no more than two eligible facilities.  
2.12 Payments must be made to eligible facilities on a first-come, first-served basis.

2.13 Subd. 3. Forest residue; requirements. (a) Forest residue harvested from land parcels  
2.14 larger than 160 acres must be certified by the Forest Stewardship Council, Sustainable  
2.15 Forestry Initiative, or American Tree Farm System as being harvested from sustainably  
2.16 managed forests.

2.17 (b) Forest residue not certified under paragraph (a) must be harvested under a forest  
2.18 stewardship plan by a logger certified as a qualified logging professional by the Minnesota  
2.19 logger education program, or an equivalent certification by an independent third-party  
2.20 organization that teaches sustainable harvesting practices to loggers.

2.21 Subd. 4. Payment; process. (a) The commissioner must make payments under this  
2.22 section to an eligible facility as provided in this subdivision.

2.23 (b) By the last day of January, April, July, and October, each eligible facility must file  
2.24 a claim for payment for wood pellets produced by the eligible facility during the preceding  
2.25 three calendar months. The claim must be filed with the commissioner on a form developed  
2.26 by the commissioner.

2.27 (c) A claim submitted under this section must include documentation and verification  
2.28 by an independent third party that, with respect to an eligible facility's claim filed under  
2.29 this subdivision:

2.30 (1) the conditions of subdivision 3 have been met; and

2.31 (2) the amount of wood pellets, expressed in metric tons, that the eligible facility claims  
2.32 to have produced during the quarter is accurate.

3.1 (d) No later than February 15, May 15, August 15, and November 15, the commissioner  
3.2 must issue payments under this section for the applicable quarter to an eligible facility that  
3.3 filed a quarterly claim approved by the commissioner.

3.4 Subd. 5. Payment amount; limitation. (a) The commissioner must pay an eligible  
3.5 facility \$25 per metric ton of wood pellets produced, subject to the limitations provided  
3.6 under this subdivision.

3.7 (b) An eligible facility must not be paid more than \$3,750,000 in a calendar year under  
3.8 this section, irrespective of the number of metric tons of wood pellets produced in a calendar  
3.9 year.

3.10 (c) An eligible facility may receive payments under this section for no more than ten  
3.11 years.

3.12 (d) A payment must not be made under this section after June 30, 2033.

3.13 **Sec. 2. APPROPRIATIONS.**

3.14 Notwithstanding Minnesota Statutes, section 116C.779, subdivision 1, paragraph (j),  
3.15 \$3,750,000 in fiscal year 2022 and \$3,750,000 in fiscal year 2023 are appropriated from  
3.16 the renewable development account established in Minnesota Statutes, section 116C.779,  
3.17 subdivision 1, to the commissioner of commerce to pay wood pellet manufacturing incentives  
3.18 under Minnesota Statutes, section 216B.2427. The base for the program is \$3,750,000 in  
3.19 fiscal years 2024 through 2032. The base in fiscal year 2033 is \$0. Unspent funds at the end  
3.20 of a fiscal year do not cancel to the renewable development account but remain available  
3.21 to be expended.

3.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
CITY OF GRAND RAPIDS  
ITASCA COUNTY  
STATE OF MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION SUPPORTING MINNESOTA SENATE FILE 1163 AND MINNESOTA HOUSE FILE 1486 ESTABLISHING AN INCENTIVE FOR THE PRODUCTION OF WOOD PELLETS**

WHEREAS, according to Quarterly Census of Employment and Wages (QCEW) data from 2008 to 2019, the seven counties of Northeast Minnesota saw a loss of 1,466 jobs, 34 establishments and \$28 million in wages from the forest product industry sector; and

WHEREAS, US Census County Business Patterns data between 2013 and 2018 showed a loss of 20% of Itasca County's independent forestry and logging operators and 12% of its independent truckers; and

WHEREAS, despite these losses, a 2017 study conducted by the UMD Labovitz School of Business found that the forestry sector still contributes nearly 3,000 jobs, \$160 million of labor income and over \$800 million in output to the economy of a 10-county region of North Central Minnesota and that the sector still presents opportunities for growth; and

WHEREAS, wood pellet production, an emerging industry that utilizes forest and wood mill residuals to produce an alternative fuel source for power generation and home use, presents such an opportunity for growth in our region, and, very importantly, will also help sustain our regional sawmills which are currently threatened by the absence of a market for their residual materials; and

WHEREAS, according to an impact analysis prepared by the Minnesota Department of Employment and Economic Development (DEED), an industrial wood pellet plant would generate \$56 million of annual economic activity in the State and is projected to provide 45 direct jobs together with the creation of 249 indirect and induced jobs in support services such as logging and transportation; and

WHEREAS, the Grand Rapids Economic Development Authority (GREDA) strongly supports the addition of a wood pellet industry to our area, as it would directly advance the economic goals and strategies articulated within the *City of Grand Rapids Comprehensive Plan*; and

WHEREAS, the GREDA recognizes that the establishment of this capital intensive new industry will require initial financial support at the local, regional and state level, and will work toward a successful outcome to that challenge.

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

The GREDA does hereby support Senate File 1163 and House File 1486 legislation to establish a production incentive for the manufacture of wood pellets in Minnesota.

Approved by the Board on March 3, 2021.

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

ATTEST:

\_\_\_\_\_  
Secretary



1.1 A bill for an act  
1.2 relating to energy; establishing a program to provide financial incentives for the  
1.3 production of wood pellets; appropriating money;proposing coding for new law  
1.4 in Minnesota Statutes, chapter 216B.  
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1.6 Section 1. **[216B.2427] WOOD PELLET PRODUCTION INCENTIVE.**

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3.4 **Subd. 5. Payment amount; limitation.** (a) The commissioner must pay an eligible  
3.5 facility \$25 per metric ton of wood pellets produced, subject to the limitations provided  
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3.7 (b) An eligible facility must not be paid more than \$3,750,000 in a calendar year under  
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3.12 (d) A payment must not be made under this section after June 30, 2033.

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- 3.17 subdivision 1, to the commissioner of commerce to pay wood pellet manufacturing incentives
- 3.18 under Minnesota Statutes, section 216B.2427. The base for the program is \$3,750,000 in
- 3.19 fiscal years 2024 through 2032. The base in fiscal year 2033 is \$0. Unspent funds at the end
- 3.20 of a fiscal year do not cancel to the renewable development account but remain available
- 3.21 to be expended.
- 3.22 **EFFECTIVE DATE.** This section is effective the day following final enactment.