



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, December 10, 2020

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, December 10, 2020 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 November 12, 2020 regular meeting.
5. Consider approval of claims
6. Itasca Economic Development Corporation Update – Tamara Lowney
7. Consider adopting resolutions approving Contingent Purchase Agreements with VFW Ponti Peterson Post 1720 and Jeff and Sherry Rose (Sugar Lake Corporation) and authorize payments equal to the earnest money amounts, purchase prices and closing expenses established within the agreements.
8. Consider adopting a resolution authorizing the issuance of a promissory note to Charles K. Blandin Foundation pursuant to Program Related Investment (PRI) for the Redevelopment Fund.
9. Consider a contingent lease termination with Speak Easy LLC for their space in Central School.
10. 2021 GREDA Work Plan discussion
11. Updates:
 - a.
12. Adjourn

GREDA Commissioners/terms:

Dale Christy – 12/31/2020 (with council term)
Tasha Connelly– 12/31/2020 (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, NOVEMBER 12, 2020
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 telephonically on Thursday, November 12, 2020 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: Sholom Blake, Dale Christy, John O’Leary, Cory Jackson Mike Korte. Absent: Tasha Connelly, Mike Przytarski.

SETTING OF REGULAR AGENDA: Approved with deletion.

- Delete item 6-Itasca Economic Development Corporation Update.

APPROVAL OF MINUTES:

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER KORTE TO APPROVE THE MINUTES OF THE OCTOBER 22, 2020 REGULAR MEETING. The following roll call vote was taken: Yea: Christy, Jackson, Korte, O’Leary, Blake. Nay: None, passed unanimously.

APPROVAL OF CLAIMS:

MOTION BY COMMISSIONER O’LEARY, SECOND BY COMMISSIONER KORTE TO APPROVE CLAIMS IN THE AMOUNT OF \$2,596.00.

Kennedy & Graven	\$378.00	Loren Solberg Consulting, LLC	\$1,200.00
Minnesota Energy Resources	\$18.00	MN DEED	\$1,000.00

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

Consider approval of a short-term lease with Becky Markwardt dba WOOLderness for suite 103 in Central School.

GREDA has encouraged these pop-ups over the past few years to bring additional traffic into the building during the holiday season and to increase its exposure to potential permanent tenants. The incentive provided to encourage these businesses is a 50% discount of the standard rental rates. The proposed lease follows that model.

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER JACKSON TO APPROVE A SHORT TERM LEASE WITH BECKY MARKWARDT DBA WOODERNESS FOR SUITE 103 IN CENTRAL SCHOOL. The following roll call vote was taken: Yea: Christy, Jackson, Korte, O’Leary, Blake. Nay: None, passed unanimously.

Review the proposal from Maxfield Research for the preparation of an industrial space market analysis and consider its approval.

At the October 8th meeting, GREDA discussed the development of a scope of work and proposal for the completion of this analysis by Maxfield Research. Mr. Mattei has worked with Mary Bujold, President of Maxfield Research in the development of a desired scope of work and proposal. As proposed work would be completed over a 60 day period at a not to exceed fee of \$10,000.00.

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER O'LEARY TO APPROVE A PROPOSAL FROM MAXWELL RESEARCH FOR THE PREPARATION OF AN INDUSTRIAL SPACE MARKET ANALYSIS. The following roll call vote was taken: Yea: O'Leary, Korte, Jackson, Christy, Blake. Nay: None, passed unanimously.

2021 GREDA Work Plan Discussion.

The Commissioners provided the following work plan items:

- Discuss the role in developing the former Forest Lake School.
- Continue in support of former Ainsworth site and Federal EDA Grant.
- Continue support of local businesses to help navigate COVID.
- Assessment and communication to the public regarding pandemic response by the City and GREDA, market other GREDA programs and promote successes.
- Promote area for telecommuters, home base business and competitive opportunities for back office.
- MP Clay Boswell support-Carry over.
- Support a variety of housing opportunities-Carry over.
- Promoting retail growth and development-Rebound Development, Rays, Kremers and others.
- Medical services outreach-Carry over and support of the North Homes project.
- Industrial space analysis-Carry over and follow up on possible use of Federal EDA RLF.
- Redevelopment of the VFW site.
- Downtown redevelopment and riverfront plan.
- Block 5, Block 21- Carry over.
- Continue to support thriving downtown.
- Work with school district and others to market events that utilize turf.
- Study of hotel demand with VGR.
- Partner with others to address unmet child care need.
- Collaborate with local EDO's-Carry over.

Mr. Mattei will compile a spreadsheet for the Commissioners to rank the items and review at the next meeting.

There being no further business the meeting adjourned at 5:04p.m.

Respectfully submitted:

Aurimy Groom, Recorder

EDA BILL LIST - DECEMBER 10, 2020

DATE: 12/03/2020
 TIME: 13:02:32
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 12/10/2020

VENDOR #	NAME	AMOUNT DUE

ECONOMIC DEVELOPMENT AUTHORITY		
0920065	ITASCA ECONOMIC DEVELOPMENT	10,000.00
	TOTAL	10,000.00
EDA - CAPITAL PROJECTS		
AINSWORTH FACILITY REDEVELPMNT		
1215630	LOREN SOLBERG CONSULTING, LLC	1,200.00
	TOTAL AINSWORTH FACILITY REDEVELPMNT	1,200.00
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$11,200.00
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920051	ITASCA COUNTY H.R.A.	22,878.05
1621130	P.U.C.	345.32
	TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:	\$23,223.37
	TOTAL ALL DEPARTMENTS	\$34,423.37



REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #7

Meeting Date: 12/10/20

Statement of Issue:

Consider adopting resolutions approving Contingent Purchase Agreements with VFW Ponti Peterson Post 1720 and Jeff and Sherry Rose (Sugar Lake Corporation) and authorize payments equal to the earnest money amounts, purchase prices and closing expenses established within the agreements.

Background:

The March 7, 2020 fire that irreparably damaged the adjacent VFW and Rose buildings at 14 and 20 NW 3rd Street, presents an added challenge to the Community's *Comprehensive Plan* goal of Developing a Thriving Downtown.

After assisting the owners by securing an IRRR Commercial Redevelopment grant to fund the majority of demolition costs not covered by their insurance, GREDA considered their possible role in promoting and securing reinvestment in these sites.

In that consideration, GREDA discussed the narrow configuration of the individual sites and the challenges those features caused to the development of individual new developments on each site. GREDA felt common ownership of both properties would be advantageous, allowing the combined property to be marketed and sold as one development site.

Another aspect that GREDA considered was the importance of the future redevelopment's compatibility with the surrounding downtown architecture and historic development pattern. The City's Zoning Ordinance does not control architectural design. Therefore, the only way to control the design of the redevelopment and ensure its compatibility would be to require it as a condition of the sale. GREDA has previously developed architectural standard for their sales in the Downtown. A copy is attached for reference.

For those primary reasons, GREDA felt a need to take a leadership role in this effort by exploring the possible purchase of both properties. Guided by a Broker's Opinion of Value completed for GREDA by Wellson Group in June, individual purchase agreements, that are contingent upon a simultaneous closing on both sales, were negotiated.

The agreed purchase price for the VFW property is \$65,000 and the agreed purchase price for the Rose property is \$70,000. Individually, the prices are within approximately 4% or less of the Broker's Opinion of Value.

It is proposed that this purchase be funded through a draw from the Redevelopment Fund PRI with the Blandin Foundation, to be considered

	under the following agenda item.
Recommendation:	
Required Action:	Pass two motions: 1) adopting a resolution approving Contingent Purchase Agreements with VFW Ponti Peterson Post 1720 and 2) adopting a resolution approving Contract for Private Development with Jeff and Sherry Rose (Sugar Lake Corporation) and authorize payments equal to the earnest money amounts, purchase prices and closing expenses established within the agreements.
Attachments:	Resolution approving VFW Contingent Purchase Agreement Resolution approving Rose Contingent Purchase Agreement Contingent Purchase Agreements Grand Rapids Downtown Redevelopment Design Standards

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. __

RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND JEFFREY S. ROSE AND SHERRY L. POWERS ROSE; AND THE PURCHASE OF THE LAND CONTAINED THEREIN.

WHEREAS, the Grand Rapids Economic Development Authority (the “**Authority**”) is authorized pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the “**EDA Act**”), to acquire and convey real property and to undertake certain activities to facilitate the development of real property by private enterprise; and

WHEREAS, to facilitate development of certain real property in the City of Grand Rapids, Minnesota (the “**City**”), the Authority proposes to enter into a Purchase Agreement (the “**Agreement**”) between the Authority and Jeffrey S. Rose and Sherry L. Powers Rose (the “**Sellers**”), under which, among other things, the Sellers will convey to the Authority the property located in the City at: 20 NW 3rd St., situated in the State of Minnesota, County of Itasca, and which is legally described on the attached **Exhibit A** (the “**Property**”); and

WHEREAS, the Authority finds and determines that the acquisition of the Property is in the public interest and will further the objectives of its general plan of economic development.

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

1. The Board hereby approves the Agreement in substantially the form presented to the Board, including the acquisition of the Property by 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 Agreement by those officials shall be conclusive evidence of their approval.

2. Authority staff and officials are authorized to take all actions necessary to perform the Authority’s obligations under the Agreement as a whole, including without limitation execution

of any documents to which the Authority is a party referenced in or attached to the Agreement, and other documents necessary to convey the Property to the Authority, all as described in the Agreement.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this ____ day of December 2020.

President

ATTEST:

Secretary

EXHIBIT A
Legal Description of the Property

The East Forty-five feet (E. 45') of the West One Hundred Three and Three tenths feet (W. 103.3') of Lots Thirteen (13), Fourteen (14) and Fifteen (15), LESS the South one and eight tenths feet (S. 1.8') thereof, all in Block Eighteen (18), Town of Grand Rapids AND That part of Lot Fifteen (15) and Sixteen (16) of Block Eighteen (18), Town of Grand Rapids, described as follows: Commencing at a point on the East boundary line of the East 45 feet of the West 103.3 feet of said Lot 15, which point is 1.8 feet North of the South boundary of said Lot 15 and is the point of beginning; thence South along an extension of the East line of the Marr Building a distance of 7 feet; thence West and parallel to the boundary (South) line of the Marr Building a distance of 25 feet 11 inches, more or less, to the Eastern wall of the First National Bank Building as the same presently exists; thence North along said Eastern wall a distance of 7 feet to a point directly opposite the point of beginning; thence East a distance of 25 feet 11 inches, more or less, to the point of beginning and to there terminate, Itasca County, Minnesota.

PID: 91-410-1840
Abstract

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. __

RESOLUTION APPROVING THE PURCHASE AGREEMENT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND PONTI-PETERSON POST NO. 1720; AND THE PURCHASE OF THE LAND CONTAINED THEREIN.

WHEREAS, the Grand Rapids Economic Development Authority (the “**Authority**”) is authorized pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (the “**EDA Act**”), to acquire and convey real property and to undertake certain activities to facilitate the development of real property by private enterprise; and

WHEREAS, to facilitate development of certain real property in the City of Grand Rapids, Minnesota (the “**City**”), the Authority proposes to enter into a Purchase Agreement (the “**Agreement**”) between the Authority and Ponti-Peterson Post No. 1720, Veterans of Foreign Wars of the United States, Incorporated, a Minnesota nonprofit corporation (the “**Seller**”), under which, among other things, the Seller will convey to the Authority the property located in the City at: 14 NW 3rd St., situated in the State of Minnesota, County of Itasca, and which is legally described on the attached **Exhibit A** (the “**Property**”); and

WHEREAS, the Authority finds and determines that the acquisition of the Property is in the public interest and will further the objectives of its general plan of economic development.

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

1. The Board hereby approves the Agreement in substantially the form presented to the Board, including the acquisition of the Property by 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 Agreement by those officials shall be conclusive evidence of their approval.

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

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this ____ day of December 2020.

President

ATTEST:

Secretary

EXHIBIT A
Legal Description of the Property

Approximately the East thirty-nine feet of Lots Thirteen (13), Fourteen (14) and Fifteen (15) and the East thirty-nine (39') of the north ten (10') feet of Lot Sixteen (16), all in Block Eighteen (18), Town of Grand Rapids, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Itasca County, Minnesota.

PID: 91-410-1850
Abstract

CONTINGENT PURCHASE AGREEMENT

This Contingent Purchase Agreement ("Agreement") is made this 23 day of November, 2020 (the "Effective Date") by and between Ponti-Peterson Post No.1720, Veterans of Foreign Wars of the United States, Incorporated, a Minnesota nonprofit corporation, (referred to herein "Seller") and the Grand Rapids Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (referred to herein as the "Buyer") (herein referred to as each a "Party" or together as the "Parties").

Recitals

WHEREAS, Seller is the owner of that certain real property located in the City of Grand Rapids, Itasca County, Minnesota (the "City") and as legally described in the attached **Exhibit A** (the "Property");

WHEREAS, Seller wishes to sell to Buyer, and Buyer desires to purchase from Seller, the Property; and

WHEREAS, Buyer also wishes to contemporaneously purchase that certain real property neighboring the Property to the West and located in the City and as legally described in the attached **Exhibit B** from an unaffiliated third party (the "Neighboring Property")

WHEREAS, the Parties wish to memorialize their mutual agreements and covenants in writing in the form of this Agreement.

Terms of Agreement

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, it is mutually agreed and covenanted by and between the Parties to this Agreement as follows:

1. **Recitals.** The foregoing recitals shall be and are hereby incorporated into and made a part of this Agreement.

2. **Purchase Price and Terms:**

a. **PURCHASE PRICE:** The Purchase Price for the Property is Sixty-Five Thousand and No/100 Dollars (\$65,000.00) (the "Purchase Price"). The Seller hereby acknowledges that the Buyer's consideration includes consideration for all relocation services and relocation benefits to which the Seller may be entitled to by law.

b. **TERMS:**

(1) **EARNEST MONEY.** Buyer agrees to pay One Thousand and No/100

Dollars (\$1,000.00) as Earnest Money payable on or before the Effective Date of this Agreement. The Earnest Money shall be held by the Title Company as defined herein and shall be applied to the Purchase Price at the Closing Date as defined herein. The Earnest Money will be refunded to Buyer if Buyer terminates this Agreement prior to the completion of the Due Diligence Period as defined herein and the satisfaction of all Contingencies. Upon the completion of the Due Diligence Period and the satisfaction of the Contingencies, the Earnest Money shall become non-refundable to Buyer and will be paid to Seller if this Agreement is terminated for any other reason.

- (2) **BALANCE DUE SELLER.** Buyer agrees to pay by check or wire transfer on the Closing Date any remaining balance due on the Purchase Price according to the terms of this Agreement.
- (3) **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Seller agrees to execute and deliver a Warranty Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:
 - i. Building and zoning laws, ordinances, state and federal regulations;
 - ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
 - iii. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property.

3. Documents to be Delivered at Closing by Seller. In addition to the Warranty Deed required by Section 2b(3) herein, Seller shall deliver to Buyer at closing:

- a. An affidavit from Seller sufficient to remove any exception in Buyer's policy of title insurance for mechanics' and materialmen's liens and rights of parties in possession, if any;
- b. A "bring-down" certificate, certifying that all of the warranties made by Seller in this Agreement remain true as of the Closing Date;
- c. Affidavit of Seller confirming that Seller is not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- d. A well certification statement;
- e. Any notices, certificates, and affidavits regarding any private sewage systems,

underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and

- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Seller has complied with the terms of this Purchase Agreement.

4. Contingencies. Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Agreement by Buyer's governing body. Nothing in this Agreement shall be interpreted to limit or restrict the discretion of the Buyer's governing body to grant or withhold approval of the conveyance. This contingency may not be waived by either Party;
- b. Buyer's inspection of the Property pursuant to this Agreement and Buyer having determined that it is satisfied with the results of and matters disclosed by its investigations, surveys, title inspection, soil tests, engineering inspections, hazardous substance, and environmental reviews of the Property;
- c. Buyer's determination of marketable title pursuant to Section 6 of this Agreement; and
- d. Buyer's ability to contemporaneously purchase the Neighboring Property on or before the Closing Date.

(collectively referred to herein as the "Contingencies").

Buyer shall have until the Closing Date to remove or waive the foregoing Contingencies (the "Due Diligence Period"). The Contingencies are solely for the benefit of Buyer and may be waived in writing by Buyer. If Buyer or its attorney gives written notice to Seller that all contingencies are duly satisfied or waived, the Parties shall proceed to close the transaction as contemplated herein.

If one or more of the Contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Seller shall return the Earnest Money to Buyer, and the Parties shall execute and deliver to each other documentation effecting the termination of this Agreement. Buyer shall also deliver to Seller copies of all documentation gathered during the Due Diligence Period, including without limitation all survey, environmental or soil tests. As a contingent purchase agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

5. Seller's Deliverables. Within seven (7) business days of the Effective Date, Seller shall provide Buyer with copies of all relevant materials in Seller's possession relating to the Property,

including but not limited to, title reports, soil reports, environmental studies, surveys, environmental reports, agreements with governmental authorities, or other records of the Property that Seller has in Seller's possession (collectively "Seller's Deliverables").

6. Title Examination/Curing Title Defects. Upon execution of this Agreement by both Parties, Seller shall, at its sole expense obtain a commitment for title insurance ("Commitment") for the Property from First American Title Company (the "Title Company") and deliver to Buyer. Buyer shall have 10 business days after receipt of the Commitment or after the execution of this Agreement by both Parties, whichever is later to examine the same and to deliver written objections to title, if any, to Seller, or Buyer's right to do so shall be deemed waived. Seller shall have until the end of the Due Diligence Period (or such later date as the Parties may agree upon) to make title marketable, at Seller's sole cost. In the event that title to the Property cannot be made marketable or is not made marketable by Seller within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

7. Seller's Survey Obligations. The Parties hereby acknowledge the legal description for the Property as drafted may be deemed insufficient, unmarketable, and uninsurable by the Title Company as defined herein. In the event that the Property needs to be resurveyed and a new legal description created, the Seller shall be responsible for all costs and expenses associated with creating a new and valid legal description that is deemed sufficient, marketable and insurable as determined solely by Buyer.

8. Real Estate Taxes and Special Assessments. Seller shall pay all real estate taxes, interest and penalties, if any, relating to the Property for the years prior to the year of closing. Provided that this transaction shall close as provided herein, Buyer agrees to pay all taxes for the years following the year of closing. The Parties shall prorate all taxes for the year of closing based on the Closing Date. Seller shall pay all special assessments regarding the Property which are levied or pending as of the Closing Date as defined in Section 9 hereof, including portions which would otherwise have been payable in future installments.

9. Closing Date. The date of closing shall be as mutually agreed upon by the Parties but by no means later than December 31, 2020 unless mutually extended and expressed in writing signed by both Parties (the "Closing Date"). The closing shall be made at the offices of the Title Company or at such other location as is mutually agreed upon by the Parties. All deliveries and notices to Buyer shall be made as provided in Section 17 of this Agreement.

10. Possession/Condition of Property.

- a. **Possession.** The Seller agrees to deliver possession of the Property to the Buyer no later than the Closing Date.
- b. **Condition of Property/No Personal Property.** The Seller shall deliver possession of the Property to the Buyer on the Closing Date in the same condition

as the Property existed on the date of this Agreement. The Parties acknowledge that there is no personal property included in this exchange.

11. Seller's Warranties. Seller hereby represents and warrants to Buyer and Seller will represent and warrant to Buyer as of the Closing Date that:

- a. **Sewer and water.** Seller warrants that to the best of Seller's knowledge, the Property is connected to City sewer and is connected to City water.
- b. **Mechanics' Liens.** Seller warrants that, prior to the closing, Seller shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration, clean up, or repair tied to the Property caused by or resulting from any action of Seller.
- c. **Notices.** Seller warrants that Seller has not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.
- d. **Tenants.** Seller warrants that there are no tenants or third parties in possession of the Property or with a leasee interest in the Property.
- e. **No Broker Fees.** Seller has not engaged any brokers, finders, or agents, and Seller has not incurred, and will not incur, directly or indirectly, as a result of any action taken by Seller, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement.
- f. **Condemnation.** Seller warrants that there is no pending or, to the actual knowledge of Seller, threatened condemnation or similar proceeding affecting the Property or any portion thereof, and Seller has no actual knowledge that any such action is contemplated.
- g. **Legal Proceedings.** There are no legal actions, suits or other legal or administrative proceedings, pending or threatened, that affect the Property or any portion thereof, and Seller has no knowledge that any such action is presently contemplated.

- h. **Legal Capacity.** Seller has the legal capacity to enter into this Agreement. Seller warrants that there have been no bankruptcy or receivership actions filed against Seller within the last year.
- i. **Methamphetamine Production.** To the best of Seller's knowledge, methamphetamine production has not occurred on the Property.

Seller's representations and warranties set forth in this Section shall be continuing and are deemed to be material to Buyer's execution of this Agreement and Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any Party hereto. Seller agrees to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations and attorneys' fees incurred should an assertion, injury, claim, demand or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

12. Costs and Prorations. Seller shall pay: (a) the costs of providing an updated title commitment and any title search and examination fees; (b) the cost of any documents required to clear title or to evidence marketable title as required herein; (c) any transfer or deed taxes and any deferred taxes due as a result of this transaction; (d) all closing fees customarily charged by the title company; (e) any other operating costs of the Property up to the Date of Closing; and (f) any costs associated with undertaking any additional survey obligations as contemplated in Section 7 herein. Buyer shall pay: (a) any environmental investigation or inspection costs; (b) costs of title insurance premiums and endorsements; and (c) the costs associated with Buyer's broker. Each Party shall pay its respective attorneys' fees.

13. Inspections. From the Effective Date to the Closing Date, Seller hereby expressly grants Buyer, its employees and agents, the right to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, and drilling, monitoring, sampling and testing of any groundwater monitoring wells, as Buyer shall elect. Buyer shall also be entitled to an additional general walkthrough inspection within five days of the Closing Date.

14. Environmental Inspection and Soil Testing. Buyer, at Buyer's sole election, cost and expense, may conduct an environmental assessment of the Property. This shall include, but not be limited to, a phase 1 environmental site assessment (the "Phase 1") and all additional follow up assessments required or recommended by the Phase 1 report. Buyer shall initiate the Phase 1 report. Buyer shall use best efforts to complete all other required and recommended action items within a timely manner of receiving the final Phase 1 report. Buyer and its agents shall have the right to enter upon the Property after the

Effective Date of this Agreement for the purpose of inspecting the Property and conducting the Phase 1 and all follow up action items thereafter. Buyer agrees to indemnify Seller against any liens, claims, losses or damage directly attributable by Buyer's exercise of its right to enter and work upon the Property. Buyer agrees to provide Seller with a copy of any report prepared as a result of such inspection, examination, or testing, upon request by Seller.

15. Default/Exclusive Remedies. If Buyer defaults under this Agreement, Seller has the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Seller may terminate this Agreement and retain the Earnest Money as liquidated damages. The termination of this Agreement (and retention of the Earnest Money) shall be the sole remedies available to Seller for such default by Buyer, and Buyer will not be further liable for damages. If Seller defaults under this Agreement, Buyer shall have the right: (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money); or (ii) to enforce and recover from Seller specific performance of this Agreement. The termination of this Agreement (and refund of the Earnest Money), or the enforcement and recovery from Seller of specific performance of this Agreement, shall be the sole remedies available to Buyer for such default by Seller, and Seller shall not be further liable for damages.

16. Relocation Benefits; Indemnification. Seller acknowledges that it is not being displaced from the Property as a result of the transaction contemplated by this Agreement and that it is not eligible for relocation assistance and benefits or in the event that Seller is deemed eligible for relocation assistance and benefits, that the Purchase Price includes compensation for any and all relocation assistance and benefits for which Seller may be eligible. The provisions of this Section shall survive closing of the transaction contemplated by this Agreement.

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

SELLER: Pontι-Peterson Post No.1720,
Veterans of Foreign Wars of the United States, Incorporated

With a copy to:

BUYER: Grand Rapids Economic Development Authority
Attention: Rob Mattei
420 North Pokegama Avenue
Grand Rapids, MN 55744

With a copy to:

Kennedy & Graven
Attention: Martha Ingram
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis MN 55402

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

19. Survival. Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

20. Electronic Signatures; Execution in Counterparts. The electronic signature of the Parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the Parties hereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

21. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

22. Binding Effect. This Agreement binds and benefits the Parties and their successors and assigns.

23. Severability. If any provision of this Agreement is determined by a court of competent

jurisdiction to be invalid, void or unenforceable, the remaining provisions herein will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the agreements contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the Parties.


24. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

25. Partnership or Joint Venture. Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between the Parties relative to the Property.

{Remainder of Page Intentionally Left Blank; Signature Page to Follow}

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLER
PONTI-PETERSON POST NO.1720,
VETERANS OF FOREIGN WARS OF THE
UNITED STATES, INCORPORATED

By: 
Michael R. Randall
Its: Commander

BUYER

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By: _____
Sholom Blake
Its: President

By: _____
Rob Mattei
Its: Executive Director

EXHIBIT A
Legal Description of the Property

Approximately the East thirty-nine feet of Lots Thirteen (13), Fourteen (14) and Fifteen (15) and the East thirty-nine (39') of the north ten (10') feet of Lot Sixteen (16), all in Block Eighteen (18), Town of Grand Rapids, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Itasca County, Minnesota.

PID: 91-410-1850
Abstract

EXHIBIT B
Legal Description of the Neighboring Property

The East Forty-five feet (E. 45') of the West One Hundred Three and Three tenths feet (W. 103.3') of Lots Thirteen (13), Fourteen (14) and Fifteen (15), LESS the South one and eight tenths feet (S. 1.8') thereof, all in Block Eighteen (18), Town of Grand Rapids AND That part of Lot Fifteen (15) and Sixteen (16) of Block Eighteen (18), Town of Grand Rapids, described as follows: Commencing at a point on the East boundary line of the East 45 feet of the West 103.3 feet of said Lot 15, which point is 1.8 feet North of the South boundary of said Lot 15 and is the point of beginning; thence South along an extension of the East line of the Marr Building a distance of 7 feet; thence West and parallel to the boundary (South) line of the Marr Building a distance of 25 feet 11 inches, more or less, to the Eastern wall of the First National Bank Building as the same presently exists; thence North along said Eastern wall a distance of 7 feet to a point directly opposite the point of beginning; thence East a distance of 25 feet 11 inches, more or less, to the point of beginning and to there terminate, Itasca County, Minnesota.

PID: 91-410-1840
Abstract

CONTINGENT PURCHASE AGREEMENT

This Contingent Purchase Agreement ("Agreement") is made this 1st day of ~~July~~ ~~2020~~, 2020 (the "Effective Date") by and between Jeffrey B. Rose and Sherry L. Powers Rose, married to each other, (collectively referred to herein as the "Sellers") and the Grand Rapids Economic Development Authority, a public body corporate and politic and political subdivision of the State of Minnesota (referred to herein as the "Buyer") (herein referred to as each a "Party" or together as the "Parties")

Recitals

WHEREAS, Sellers are the owners of that certain real property located in the City of Grand Rapids, Itasca County, Minnesota (the "City") and as legally described in the attached Exhibit A (the "Property");

WHEREAS, Sellers wish to sell to Buyer, and Buyer desires to purchase from Sellers, the Property; and

WHEREAS, Buyer also wishes to contemporaneously purchase that certain real property neighboring the Property to the East and located in the City and as legally described in the attached Exhibit B from an unaffiliated third party (the "Neighboring Property")

WHEREAS, the Parties wish to memorialize their mutual agreements and covenants in writing in the form of this Agreement.

Terms of Agreement

NOW, THEREFORE, in consideration of the mutual agreements and covenants contained herein and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the Parties, it is mutually agreed and covenanted by and between the Parties to this Agreement as follows:

1. **Recitals.** The foregoing recitals shall be and are hereby incorporated into and made a part of this Agreement.

2. **Purchase Price and Terms:**

a. **PURCHASE PRICE:** The Purchase Price for the Property is Seventy Thousand and No/100 Dollars (\$70,000.00) (the "Purchase Price"). The Sellers hereby acknowledge that the Buyer's consideration includes consideration for all relocation services and relocation benefits to which the Sellers may be entitled to by law.

b. **TERMS:**

- (1) **EARNEST MONEY.** Buyer agrees to pay One Thousand and No/100 Dollars (\$1,000.00) as Earnest Money payable on or before the Effective Date of this Agreement. The Earnest Money shall be held by the Title Company as defined herein and shall be applied to the Purchase Price at the Closing Date as defined herein. The Earnest Money will be refunded to Buyer if Buyer terminates this Agreement prior to the completion of the Due Diligence Period as defined herein and the satisfaction of all Contingencies. Upon the completion of the Due Diligence Period and the satisfaction of the Contingencies, the Earnest Money will be non-refundable to Buyer and will be paid to Sellers if this Agreement is terminated for any other reason.
- (2) **BALANCE DUE SELLER.** Buyer agrees to pay by check or wire transfer on the Closing Date any remaining balance due on the Purchase Price according to the terms of this Agreement.
- (3) **DEED/MARKETABLE TITLE:** Subject to performance by Buyer, Sellers agree to execute and deliver a Warranty Deed conveying marketable fee simple title to the Property to Buyer, free and clear of any mortgages, liens or encumbrances other than matters created by or acceptable to Buyer, subject only to the following exceptions:
 - i. Building and zoning laws, ordinances, state and federal regulations;
 - ii. Reservation of minerals or mineral rights to the State of Minnesota, if any; and
 - iii. Public utility and drainage easements of record which will not interfere with Buyer's intended use of the Property.

3. Documents to be Delivered at Closing by Sellers. In addition to the Warranty Deed required by Section 2b(3) herein, Sellers shall deliver to Buyer at closing:

- a. An affidavit from Sellers sufficient to remove any exception in Buyer's policy of title insurance for mechanics' and materialmens' liens and rights of parties in possession, if any;
- b. A "bring-down" certificate, certifying that all of the warranties made by Sellers in this Agreement remain true as of the Closing Date;
- c. Affidavit of Sellers confirming that Sellers are not a foreign person within the meaning of Section 1445 of the Internal Revenue Code;
- d. A well certification statement;
- e. Any notices, certificates, and affidavits regarding any private sewage

systems, underground storage tanks, and environmental conditions as may be required by state or federal statutes, rules or regulations; and

- f. Any other documents reasonably required by Buyer's title insurance company or attorney to evidence that title to the Property is marketable and that Sellers have complied with the terms of this Purchase Agreement.

4. Contingencies. Buyer's obligation to purchase the Property is contingent upon the following:

- a. Approval of this Agreement by Buyer's governing body. Nothing in this Agreement shall be interpreted to limit or restrict the discretion of the Buyer's governing body to grant or withhold approval of the conveyance. This contingency may not be waived by either Party;
- b. Buyer's inspection of the Property pursuant to this Agreement and Buyer having determined that it is satisfied with the results of and matters disclosed by its investigations, surveys, title inspection, soil tests, engineering inspections, hazardous substance, and environmental reviews of the Property;
- c. Buyer's determination of marketable title pursuant to Section 6 of this Agreement; and
- d. Buyer's ability to contemporaneously purchase the Neighboring Property on or before the Closing Date.

(collectively referred to herein as the "**Contingencies**").

Buyer shall have until the Closing Date to remove or waive the foregoing Contingencies (the "**Due Diligence Period**"). The Contingencies are solely for the benefit of Buyer and may be waived in writing by Buyer. If Buyer or its attorney gives written notice to Sellers that all contingencies are duly satisfied or waived, the Parties shall proceed to close the transaction as contemplated herein.

If one or more of the Contingencies is not satisfied, or is not satisfied within the Due Diligence Period, and is not waived by Buyer, this Agreement shall thereupon be void at the written option of Buyer, and Sellers shall return the Earnest Money to Buyer, and the Parties shall execute and deliver to each other documentation effecting the termination of this Agreement. Buyer shall also deliver to Sellers copies of all documentation gathered during the Due Diligence Period, including without limitation all survey, environmental or soil tests. As a contingent purchase agreement, the termination of this Agreement is not required pursuant to Minnesota Statutes Section 559.21, et. seq.

5. Sellers' Deliverables. Within seven (7) business days of the Effective Date, Sellers shall provide Buyer with copies of all relevant materials in Sellers' possession relating to

the Property, including but not limited to, title reports, soil reports, environmental studies, surveys, environmental reports, agreements with governmental authorities, or other records of the Property that Sellers have in Sellers' possession (collectively "**Sellers' Deliverables**").

6. Title Examination/Curing Title Defects. Upon execution of this Agreement by both parties, Sellers shall, at their sole expense obtain a commitment for title insurance ("**Commitment**") for the Property from First American Title Company (the "**Title Company**") and deliver to Buyer. Buyer shall have 10 business days after receipt of the Commitment or after the execution of this Agreement by both parties, whichever is later to examine the same and to deliver written objections to title, if any, to Sellers, or Buyer's right to do so shall be deemed waived. Sellers shall have until the end of the Due Diligence Period (or such later date as the Parties may agree upon) to make title marketable, at Sellers' sole cost. In the event that title to the Property cannot be made marketable or is not made marketable by Sellers within the Due Diligence Period, then this Agreement may be terminated at the option of Buyer.

7. Sellers' Survey Obligations. The Parties hereby acknowledge the legal description for the Property as drafted may be deemed insufficient, unmarketable, and uninsurable by the Title Company as defined herein. In the event that the Property needs to be resurveyed and a new legal description created, the Seller shall be responsible for all costs and expenses associated with creating a new and valid legal description that is deemed sufficient, marketable and insurable as determined solely by Buyer.

8. Real Estate Taxes and Special Assessments. Sellers shall pay all real estate taxes, interest and penalties, if any, relating to the Property for the years prior to the year of closing. Provided that this transaction shall close as provided herein, Buyer agrees to pay all taxes for the years following the year of closing. The Parties shall prorate all taxes for the year of closing based on the Closing Date. Sellers shall pay all special assessments regarding the Property which are levied or pending as of the Closing Date as defined in Section 8 herein, including portions which would otherwise have been payable in future installments.

9. Closing Date. The date of closing shall be as mutually agreed upon by the Parties but by no means later than January 31, 2021 unless mutually extended and expressed in writing signed by both Parties (the "**Closing Date**"). The closing shall be made at the offices of the Title Company or at such other location as is mutually agreed upon by the Parties. All deliveries and notices to Buyer shall be made as provided in Section 17 of this Agreement.

10. Possession/Condition of Property.

- A. **Possession.** The Sellers agree to deliver possession of the Property to the Buyer no later than the Closing Date.
- B. **Condition of Property/No Personal Property.** The Sellers shall deliver possession of the Property to the Buyer on the Closing Date in the same condition as the Property existed on the date of this Agreement. The Parties acknowledge that there is no personal property included in this exchange.

11. Sellers' Warranties. Sellers hereby represent and warrant to Buyer and Sellers will represent and warrant to Buyer as of the Closing Date that:

- a. **Sewer and water.** Sellers warrant that to the best of Sellers' knowledge, the Property is connected to City sewer and is connected to City water.
- b. **Mechanics' Liens.** Sellers warrant that, prior to the closing, Sellers shall pay in full all amounts due for labor, materials, machinery, fixtures or tools furnished within the 120 days immediately preceding the closing in connection with construction, alteration, clean up, or repair tied to the Property caused by or resulting from any action of Sellers.
- c. **Notices.** Sellers warrant that Sellers have not received any notice from any governmental authority as to violation of any law, ordinance or regulation in connection with the Property.
- d. **Tenants.** Sellers warrant that there are no tenants or third parties in possession of the Property or with a leasee interest in the Property.
- e. **No Broker Fees.** Sellers have not engaged any brokers, finders, or agents, and Sellers have not incurred, and will not incur, directly or indirectly, as a result of any action taken by Sellers, any liability for brokerage or finders' fees or agents' commissions or any similar charges in connection with this Agreement.
- f. **Condemnation.** Sellers warrant that there is no pending or, to the actual knowledge of Sellers, threatened condemnation or similar proceeding affecting the Property or any portion thereof, and Sellers have no actual knowledge that any such action is contemplated.
- g. **Legal Proceedings.** There are no legal actions, suits or other legal or administrative proceedings, pending or threatened, that affect the Property

or any portion thereof, and Sellers have no knowledge that any such action is presently contemplated.

- h. **Legal Capacity.** Sellers have the legal capacity to enter into this Agreement. Sellers warrant that there have been no bankruptcy or receivership actions filed against Seller within the last year.
- i. **Methamphetamine Production.** To the best of Sellers' knowledge, methamphetamine production has not occurred on the Property.

Sellers' representations and warranties set forth in this Section shall be continuing and are deemed to be material to Buyer's execution of this Agreement and Buyer's performance of its obligations hereunder. All such representations and warranties shall be true and correct on or as of the Closing Date with the same force and effect as if made at that time; and all of such representations and warranties shall survive closing and any cancellation or termination of this Agreement, and shall not be affected by any investigation, verification or approval by any part hereto or by anyone on behalf of any Party hereto. Sellers agree to defend, indemnify, and hold Buyer harmless for, from and against any loss, costs, damages, expenses, obligations and attorneys' fees incurred should an assertion, injury, claim, demand or cause of action be instituted, made or taken, which is contrary to or inconsistent with the representations or warranties contained herein.

12. Costs and Prorations. Sellers shall pay: (a) the costs of providing an updated title commitment and any title search and examination fees; (b) the cost of any documents required to clear title or to evidence marketable title as required herein; (c) any transfer or deed taxes and any deferred taxes due as a result of this transaction; (d) all closing fees customarily charged by the title company; (e) any other operating costs of the Property up to the Date of Closing; and (f) any costs associated with undertaking any additional survey obligations as contemplated in Section 7 herein. Buyer shall pay: (a) any environmental investigation or inspection costs; (b) costs of title insurance premiums and endorsements; and (c) the costs associated with Buyer's broker. Each Party shall pay its respective attorneys' fees.

13. Inspections. From the Effective Date to the Closing Date, Sellers hereby expressly grant Buyer, its employees and agents, the right to enter upon the Property to conduct such surveying, inspections, investigations, soil borings and testing, and drilling, monitoring, sampling and testing of any groundwater monitoring wells, as Buyer shall elect. Buyer shall also be entitled to an additional general walkthrough inspection within five days of the Closing Date.

14. Environmental Inspection and Soil Testing. Buyer, at Buyer's sole election, cost and expense, may conduct an environmental assessment of the Property. This shall include, but not be limited to, a phase 1 environmental site assessment (the "Phase 1") and all additional follow up assessments required or recommend by the Phase 1 report. Buyer shall initiate the Phase 1 required herein within 14 days of the Effective Date. Buyer shall use best efforts to complete all other required and recommended action items within a timely manner of receiving the final Phase 1 report. Buyer and its agents shall have the right to enter upon the Property after the Effective Date of this Agreement for the purpose of inspecting the Property and conducting the Phase 1 and all follow up action items thereafter. Buyer agrees to indemnify Sellers against any liens, claims, losses or damage directly attributable by Buyer's exercise of its right to enter and work upon the Property. Buyer agrees to provide Sellers with a copy of any report prepared as a result of such inspection, examination, or testing, upon request by Sellers.

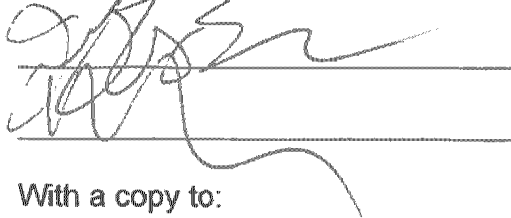
15. Default/Exclusive Remedies. If Buyer defaults under this Agreement, Sellers have the right to terminate this Agreement by giving written notice of such election to Buyer, which notice shall specify the default. If Buyer fails to cure such default within 15 days of the date of such notice, Sellers may terminate this Agreement and retain the Earnest Money as liquidated damages. The termination of this Agreement (and retention of the Earnest Money) shall be the sole remedies available to Sellers for such default by Buyer, and Buyer will not be further liable for damages. If Sellers default under this Agreement, Buyer shall have the right: (i) to terminate this Agreement (in which case Buyer shall be entitled to a refund of the Earnest Money); or (ii) to enforce and recover from Sellers specific performance of this Agreement. The termination of this Agreement (and refund of the Earnest Money), or the enforcement and recovery from Sellers of specific performance of this Agreement, shall be the sole remedies available to Buyer for such default by Sellers, and Sellers shall not be further liable for damages.

16. Relocation Benefits; Indemnification. Sellers acknowledge that they are not being displaced from the Property as a result of the transaction contemplated by this Agreement and that they are not eligible for relocation assistance and benefits or in the event that Sellers are deemed eligible for relocation assistance and benefits, that the Purchase Price includes compensation for any and all relocation assistance and benefits for which Sellers may be eligible. The provisions of this Section shall survive closing of the transaction contemplated by this Agreement.

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

SELLERS:

Jeffrey S. Rose & Sherry L. Powers Rose



With a copy to:

BUYER:

Grand Rapids Economic Development Authority
Attention: Rob Mattei
420 North Pokegama Avenue
Grand Rapids, MN 55744

With a copy to:

Kennedy & Graven
Attention: Martha Ingram
Fifth Street Towers
150 South Fifth Street, Suite 700
Minneapolis MN 55402

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

19. Survival. Notwithstanding any other provisions of law or court decision to the contrary, the provisions of this Agreement shall survive closing.

20. Electronic Signatures; Execution in Counterparts. The electronic signature of the Parties to this Agreement shall be as valid as an original signature of such party and shall be effective to bind the Parties hereto. For purposes hereof, (i) "electronic signature" means a manually signed original signature that is then transmitted by electronic means; and (ii) "transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a portable document format ("pdf") or other replicating image attached

to an electronic mail or internet message. This Agreement may be simultaneously executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

21. Headings. The headings contained in this Agreement are for reference purposes only and shall not affect in any way the meaning or interpretation of this Agreement.

22. Binding Effect. This Agreement binds and benefits the Parties and their successors and assigns.

23. Severability. If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions herein will remain in full force and effect and shall in no way be affected, impaired or invalidated thereby, so long as the economic or legal substance of the agreements contemplated herein are not affected in any manner materially adverse to any Party. Upon such determination, the Parties shall negotiate in good faith in an effort to agree upon a suitable and equitable substitute provision to affect the original intent of the Parties.


24. Governing Law. The provisions of this Agreement shall be governed by and construed in accordance with the laws of the State of Minnesota.

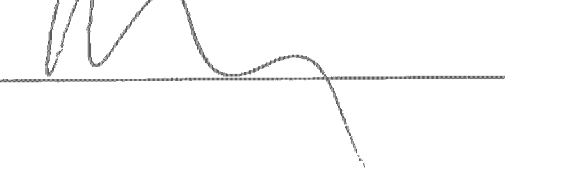
25. Partnership or Joint Venture. Nothing in this Agreement shall be construed or interpreted as creating a partnership or joint venture between the Parties relative to the Property.

{Remainder of Page Intentionally Left Blank; Signature Page to Follow}

IN WITNESS WHEREOF, the parties have executed this Purchase Agreement as of the date written above.

SELLERS





By:

Jeffrey S. Rose

By:

Sherry L. Powers Rose

BUYER

**GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____

Sholom Blake

Its: President

DAMBERG SCOTT GERZINA WAGNER ARCHITECTS

Date Last Revised
Friday, March 7, 2003

GRAND RAPIDS DOWNTOWN REDEVELOPMENT DESIGN STANDARDS

Blocks 18, 19, 20 & 21

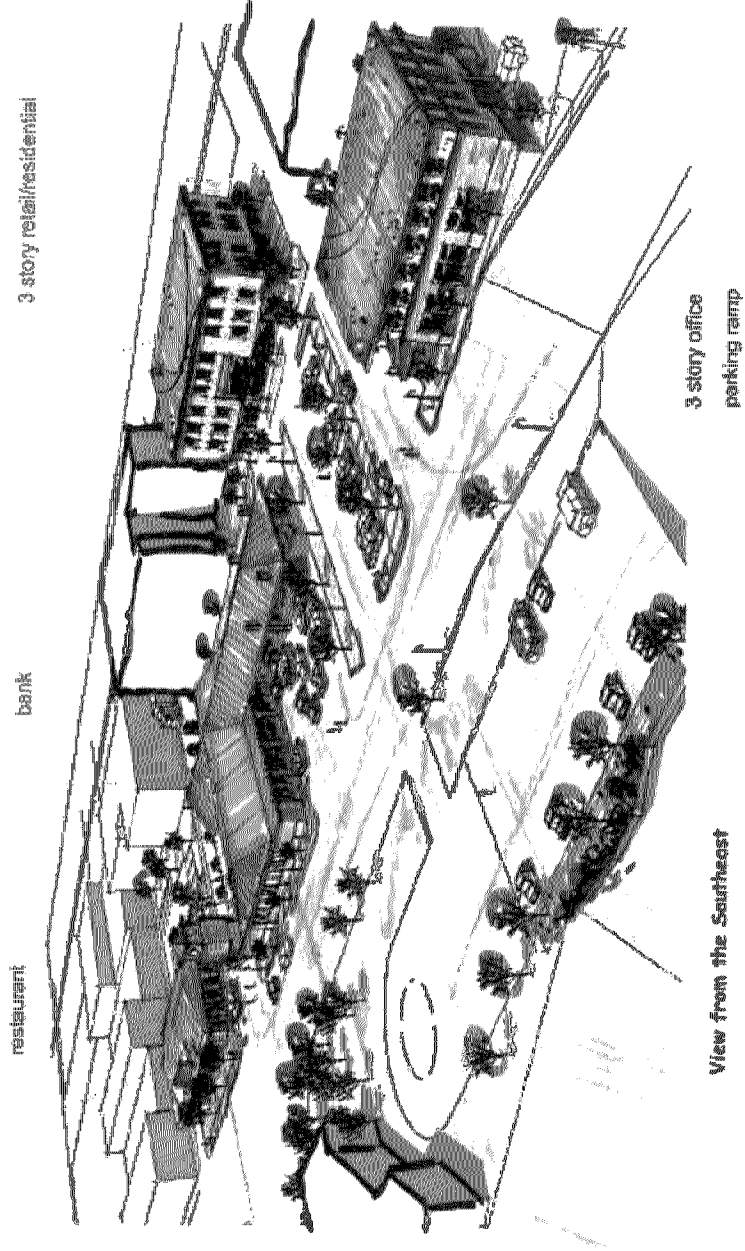


Table Of Contents

ITEM	PAGE
Purpose & Scope	2
Applicability/ Administration and Review	3
Design Standards Area Map	4
Other Plans & Codes	5
Design Concept	6
Building Placement & Parking	7
Exterior Materials	8
Building Height and Roof Design	9
Street Front Doorway & Windows	10
Building Colors & Signage	11
Case Studies	12—21

Purpose & Scope

Purpose

The purpose of these design standards are to assist property owners, developers and redevelopers in understanding the City's goals, objectives, and regulations for architectural and site design for the Grand Rapids Downtown Development. The standards shall be applied to Blocks 18, 19, 20, & 21 (see map on page 4)

reviewing proposed projects for compliance, that the standards assure quality design. Elements of design are formatted into three degrees of implementation... Required, Suggested, & Prohibited. Through this format, prospective developers and business owners can be assured that the quality of all buildings will be consistent.

The redevelopment plan of said blocks is a result of direction from the "Riverfront Framework Plan, Grand Rapids, MN" developed by the Smith Group JJR. The city's goal as a result of this report is to beautify the Mississippi River corridor which runs through the city and to focus on the river as one of the community's key resources. Blocks 18, 19, 20, 21 have been targeted as parcels for which private sector investment should be stimulated.

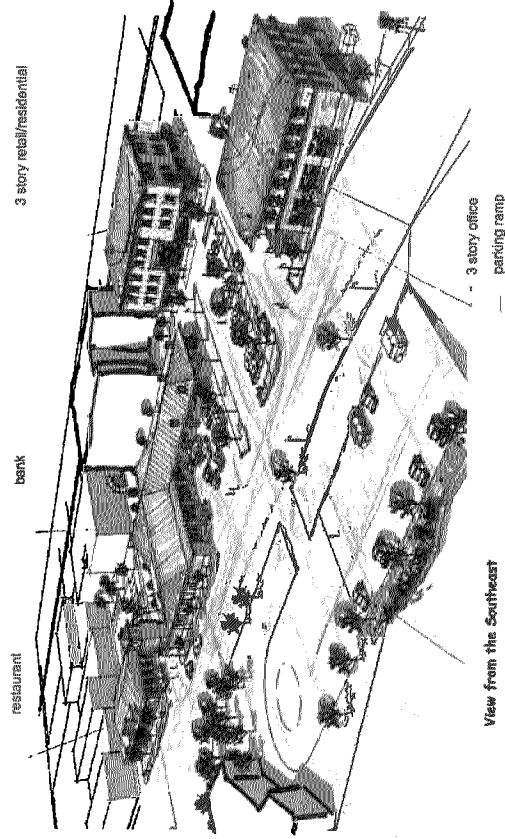
It is not the intent of this document to dictate design concept or stifle creativity for those designing individual properties. However, it is the goal of the Grand Rapids Economic Development Authority (EDA) who will be

Case studies have been included to help building owners and architects of prospective projects understand the surrounding history of the development area. Although it is recommended that new buildings consider the architecture of significant historic styles shown in the case studies, historic design is not required. New buildings, what ever style, through the use of materials and placement on the site should be sensitive to the vernacular architecture of the community and help enhance the Riverfront experience.

Scope

The scope of the standards are limited to the areas noted on page 4— blocks 18,19, 20, & 21 of Grand Rapids Central Business District.

Because the development is mostly new construction, the entire downtown and riverfront area should be considered for design inspiration.



Applicability/ Administration and Review

Applicability

This document shall be applicable to the following activities within the boundaries of the development.

- All new construction of commercial and retail buildings.
- All new construction of multifamily residential buildings.
- Any renovation, expansion or exterior changes to existing buildings.
- Any development or expansion of parking areas.
- Any other alteration that requires a building permit.

The following activities are exempt from design review unless the EDA determines that the project creates a significant change in the design characteristics of the development

- Internal alterations which do not result in a change in the building's height, roof line, footprint, or exterior appearance.
- Replacement or repair of existing materials.

It is assumed that the standards

will be met. However, the EDA may permit alternative approaches that, in its determination, meet the intent of the design standards and do not adversely affect the goals of the development.

The applicant may apply for a variance from the design standards under the submittal process.

Administration

These standards will be enforced and reviewed by the Grand Rapids Economic Development Authority.

The EDA reserves the right to request, to the City Council, denial of sale of development property to applicants who do not comply or refuse to submit for approval to the EDA any project that is being considered within the development boundaries.

Review Procedures

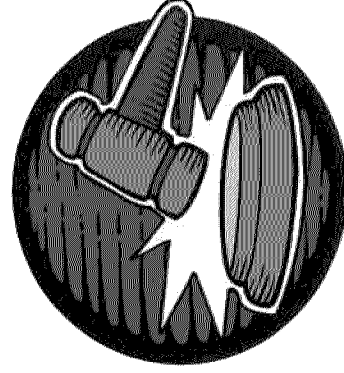
In addition to other city building code, planning department, etc submittals, each applicant shall submit to the EDA the following minimum items.

- Complete exterior elevations of all proposed buildings and existing buildings (if they are joined to the new development).
 - Elevations shall be drawn to the minimum scale of 1/8" = 1'-0"
 - All signs to be mounted on the building shall be shown.
 - Materials shall be designated with proposed colors.
- Site Plan showing adjoining streets, alleys, adjacent buildings and new/existing parking.

The review process will be conducted in an open meeting at a regularly scheduled EDA meeting, or at a special meeting as deemed necessary by the EDA.

Proposed projects will be acted on in the following manner:

- Unconditional Approval
- Approval based upon conditional revisions.
- Not Approved. Resubmit



Other Plans & Codes

Riverfront Framework Plan Grand Rapids, MN

"The Riverfront Framework Plan has been prepared by the Riverfront Task Force working with the Smith Group JIR of Madison Wisconsin. The plan provides guidelines for greater utilization of the riverfront and redevelopment of some of the key parcels adjacent to the river."

This document describes in detail recommendations for Blocks 18, 19, 20, and 21. It was the catalyst for the redevelopment plan which lead to the need for these standards.

- Block 18 was addressed in the 1989 CBD Development Plan which recommended maintaining existing historic storefront facades while accommodating a public parking area.
- Block 19 is recommended to receive a new office building occupying and abutting the Southwestern portion of the site. Parking would be reserved for the eastern part of the parcel.
- Block 20 and 21 have been planned for mixed use multi-

family residential buildings and commercial/office buildings.

Downtown Streetscape Amenities

The City has incorporated standard details and historic streetscape amenities. Applicants should consult with the city for suggested use of items such as Parking/Street Lighting, Pavers, Trash Receptacles, etc.

Ordinance compliance questions directly to the Community Development Department.

Building Codes

All applicable building codes shall be applied to this development. Code compliance questions shall be directed to the city building official.

Note:

It is not the intent of this document to conflict or imply jurisdiction over any building codes or zoning ordinance requirements. Any perceived conflicts between these design standards and building codes/zoning ordinances shall be referred to appropriate city officials for interpretation.

Zoning Ordinance

(Municipal Code Chapter 23) City of Grand Rapids

The review and approval process outline in the Zoning Ordinance is not part of these standards. However, the ordinance shall be reference for compliance with:

- Site Development Standards
- Off Street Parking Requirements
- Signs
- Landscaping requirements
- And all other related requirements.

Applicants shall refer any Zoning



Design Concept

Required

New development should relate to the original design of existing significant buildings within the downtown area. No specific architectural style is required.

The relationship of new to existing shall be addressed through the following methods:

- Materials
- Scale (in relation to adjacent buildings)
- Relationship to street
- Window size and placement
- Color
- Set backs from street and site layout

Suggested

The objective is to encourage creativity and diversity within a defined framework.

The downtown area of Grand Rapids (as shown in the case studies) is rich in a wide range of architectural styles. Unfortunately, the examples are spread throughout the community and in some cases distinct. This development can help bridge the gaps between significant buildings.

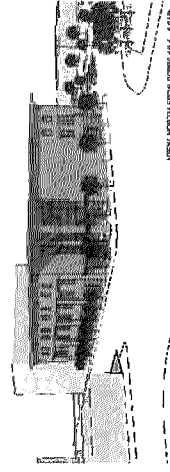
It is recommended that the following styles be considered.

- Late 19th Century Wood Commercial Storefront
- Early 20th Century Masonry Commercial Storefront
- Classical Revival
- Richardson Romanesque
- Stick Style
- Art Deco
- Contemporary (modern)

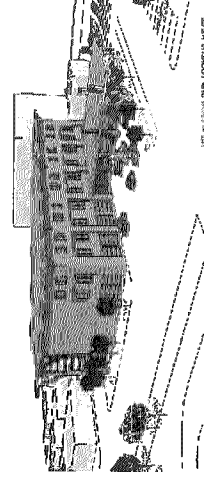
Prohibited

The following building types or styles are not permitted.

- Log building
 - Log walls
 - Log siding
 - Log structure
- Pre-engineered metal buildings
 - Steel
 - Pole Building
- Tilt up precast concrete
 - Allowed if used as structural back up and concealed from exterior.



NEW NORTH FROM FOREMAN 4/15/10



NEW SOUTH FROM FOREMAN 4/15/10

Building Placement & Parking

Required

Placement on the site is open for interpretation of planning and zoning and building code requirements. However, at least one side of the building shall adjoin the street (sidewalk edge). Corner sites should adjoin the the street on two sides.

Parking may be placed in parking ramps incorporated into the building or behind building. Avoid abutting parking directly adjacent to street.

Refer to Zoning Ordinance for planting and buffer requirements of the site.

Suggested

The objective is maintain a consistent street edge in keeping with traditional downtown character.

The building or a portion of the building may be set back from the street for the following purposes.

- Integral Entry Courtyard
- Pedestrian space/ seating
- Landscaping
- Sculpture/ Fountains

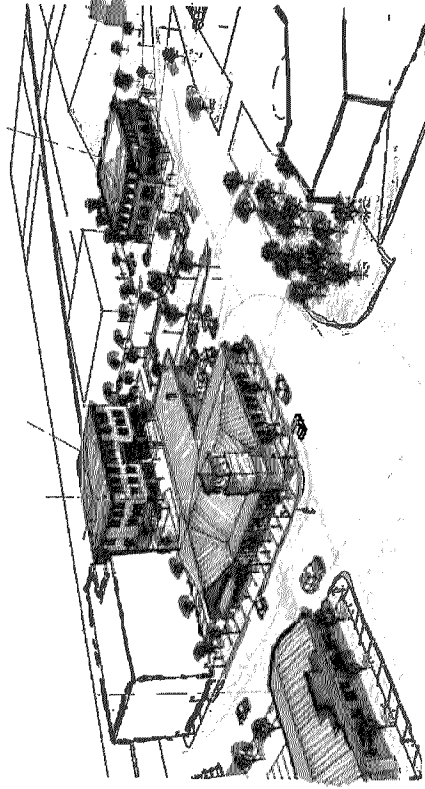
Exterior Lighting is recommended to be:

- Positioned on buildings as part of the building design.
- Low profile and pedestrian in scale at parking lot and courtyard areas.

Prohibited

Building set to back of site with parking between building and street.

restaurant - bank - 3 story retail/residential - 3 story office



Exterior Materials

Required

The following material are approved:

- Brick (any size)
- Natural stone
- Cultured concrete (simulated natural stone)
- Wood (must be painted or solid stained)
 - Lap siding
 - Shakes
 - Trim boards
- Fiber cement siding
- Architectural precast concrete
- Concrete masonry units
 - Must be prefinished, cast finish color.
 - Must have architectural finish, i.e... etched, sand blasted, rock face, etc.
- Standing seam or batten seam prefinished metal system (roofs only)
- Stucco and Exterior Insulation Finish System (EIFS).

Suggested

The objective is to ensure that high quality, authentic materials typical of traditional downtown buildings are used within the downtown area.

The materials noted here are not intended to dictate a style of architecture. For example, the new library, which is contemporary in design and relates well to the river and the downtown achieved it's design success by utilizing quality materials such as brick and prefinish metal standing seam roofing.

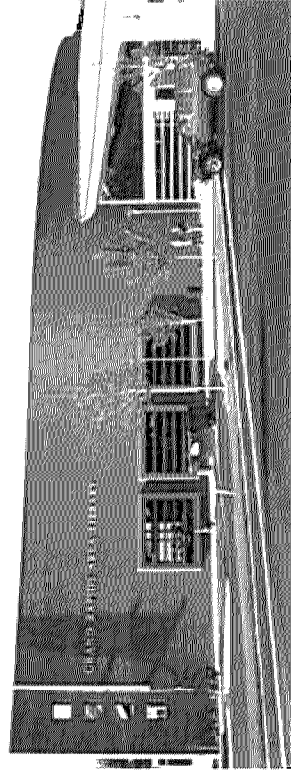
In this spirit, the materials listed are intended to assure quality and consistency in each building.

Property owners can be assured that other future buildings built within the development will not devalue the quality of earlier buildings.

Prohibited

The following materials are not allowed.

- Vinyl or other Synthetic materials
- Painted masonry or concrete
- Smooth, Rock Face, or other Standard Concrete masonry units (natural uncolored gray)
- Steel or metal panels (at walls)
- Residential type, metal siding.
- Unpainted or transparent stained wood.
- Asphalt or fiberglass shingles at non residential buildings.



Building Height and Roof Design

Required

Refer to building codes for building height limitations.

Roof design must follow the following guidelines.

- Flat of pitched roofs less than 2:12 must have parapets.
- Roof top mechanical equipment must be screened from view at street level.
- Vaulted (curved) may be considered.
- Sloped roofs must have rain-water collection system or roof edge setbacks to avoid roof drainage onto public walks.

Suggested

The objective is to encourage two and three story buildings within the downtown district. Taller buildings help define the street edge and provide a sense of enclosure for pedestrians.

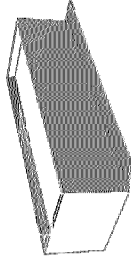
Single story buildings should consider sloped roofs 6:12 or greater. Also, detailing should consider exposed brackets, etc similar to the "Stick Style" architecture of the Chamber of Commerce building (train depot).

Single story buildings located on corner parcels should consider a higher, vertical tower element at the corner to help define and accentuate the prominence of the down town street edge intersection.

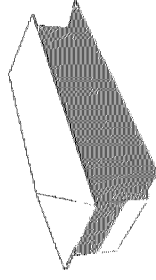
Prohibited

The following roof designs are prohibited.

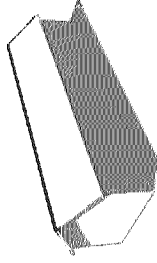
- Roof top equipment can not be exposed to street level. Provide parapet to conceal or use alternate mechanical system.
- Shed (single slope) roofs.
- Gambrel (barn like) roofs.
- Mansard roofs (partial side wall roofs)



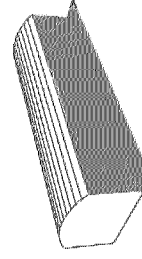
Flat Roof With Parapet



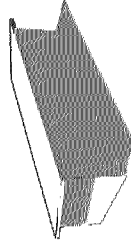
Hip Roof



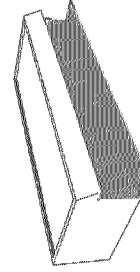
Gable Roof



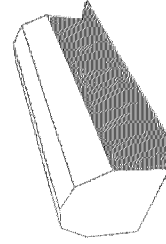
Vaulted Roof



Shed Roof (prohibited)



Mansard Roof (prohibited)



Gambrel Roof (prohibited)

Street Front Doorway & Windows

Required

Doors and windows shall be commercial in nature. The following are approved for use at building exteriors.

- Prefinished, factory painted or anodized aluminum windows and door systems.
- Wood windows and doors.
- Alum. Clad Windows.

Suggested

The objective is to establish visual importance of the primary street entrance and windows. Entrances and windows should contribute to the visual attractiveness of the street.

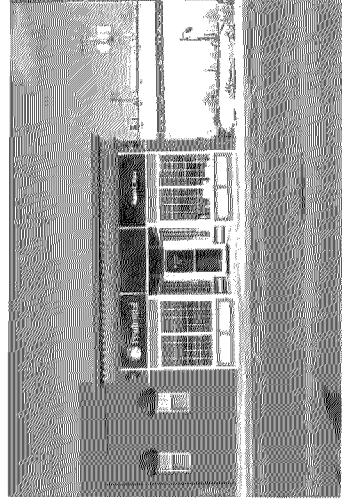
Multi story buildings should consider historic commercial storefront characteristic shown in the case studies. Items such as large storefront street level windows, smaller windows for upper levels, recessed entry, opaque transom glass, etc.

The main street entrance should be on the primary street.

Prohibited

The following are not allowed.

- Reflective glass (mirrored, non-transparent)
- Vinyl framed windows or doors. (materials other than wood, aluminum or steel)
- Residential type doors with partial glass or simulated style and rail appearance at non residential buildings.
- Continuous ribbon windows (adjacent windows that do not have vertical separation by other materials)
- Service "man doors" and overhead doors cannot be located on street facades.



Building Colors & Signage

Required

Building colors shall consist of neutral or muted colors, with low reflectance. No more than two principal colors may be used on a façade. Bright, white or primary colors should be used only as accents. Murals and artwork do not apply.

Signage shall be as per the Zoning Ordinance.

Suggested

The objective is to assure colors and signage are architecturally compatible with the style, composition, materials, and details of the building, and with other colors and signs of nearby buildings.

Canvas, not illuminated from behind (backlit) awnings should be considered. Canvas awnings offer an opportunity to add color to the façade. Signage/ letter on canvas awnings if characteristic of historic commercial storefront architecture and should be considered.

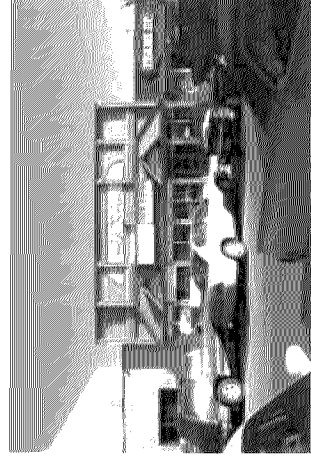
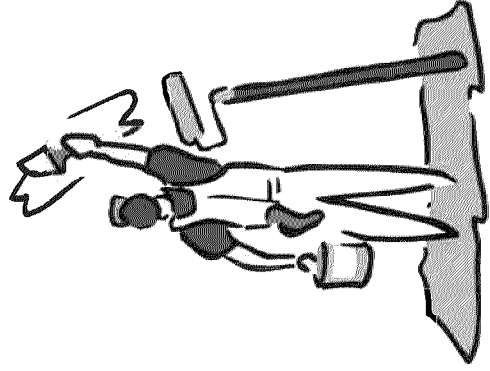
Signage may also be used in the following manner:

- In the horizontal lintel above store front windows.
- Within glass.
- Projecting from the building
- External illuminated
- Neon

Prohibited

The following items are not allowed:

- Backlit awnings
- Variable electronic message signs



Case Study—Grand Rapids Public Library

Case Study Purpose

Architectural Style Evolution

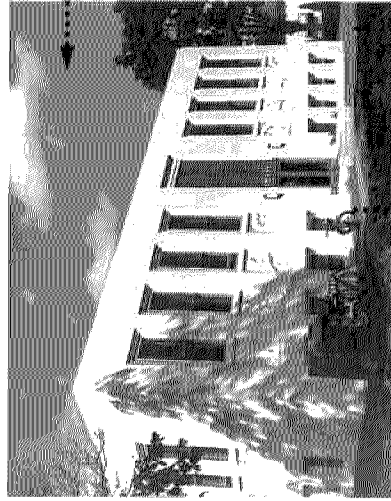
Architectural Style

Originally built under the Andrew Carnegie Foundation in 1906. The library was renovated and enlarged twice, with a completely different design style each time. A new library was designed to replace the existing in 2000, again in a different style.

This study exemplifies Grand Rapids' architectural history. Quality design reflected the period in which it was constructed.

Architectural Elements

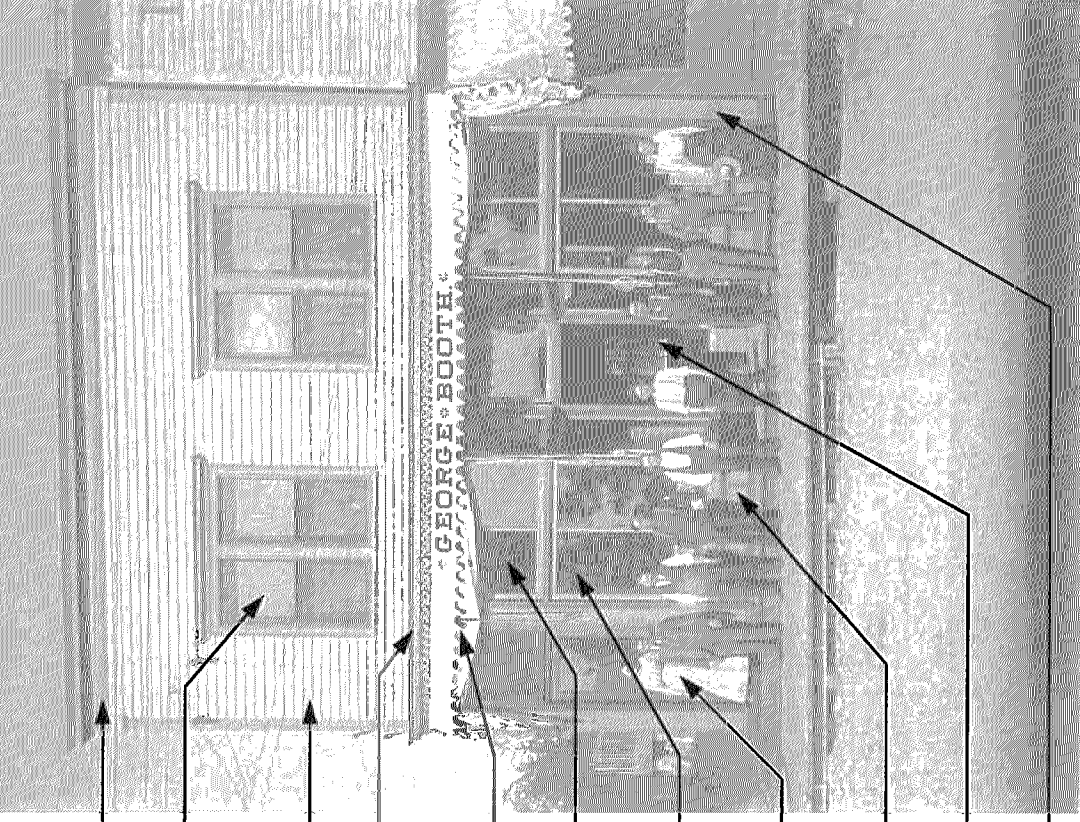
Original, design was a classical, formal, library typical of Carnegie Libraries of the era. The 1938's addition and renovation reflected an "Art Deco" style. The 1970's addition exemplifies "New Brutalism" architecture. The new River front location is contemporary and relates well to the Mississippi River.



Case Study—George Booth Building (extinct)

Case Study Purpose
Late 19th Century Architecture

Architectural Style
Typical Commercial District
Storefront (wood)



Architectural Elements

- Decorative Cornice
- Smaller double hung windows to serve upper level apartment or office space.
- Painted wood clap board siding
- Storefront cornice—visually separates main and upper levels.
- Canvas awning w/ lettering
- Transom windows to maximize natural light.
- Large display windows to exhibit merchandise
- Separate door directly to upper level
- Bulkhead
- Recessed public entrance
- Support piers

Case Study—McAlpine Blk. & IDC Offices

Case Study Purpose

Late 19th Century Architecture

Architectural Style

Typical Commercial District
Storefront (masonry)

Architectural Elements

Gabled Decorative Parapet with building name

Decorative Cornice

Smaller double hung windows to serve upper level apartment or office space.

Brick upper level

Storefront cornice—visually separates main and upper levels.

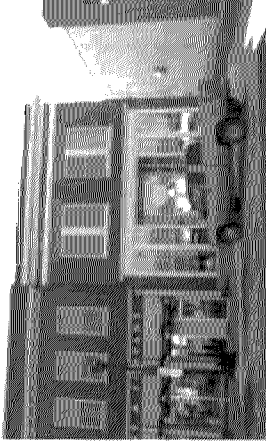
Signage sized appropriately.

Translucent transom windows to maximize natural light. No awnings

Large display windows to exhibit merchandise

Bulkhead

Separate door directly to upper



Case Study—Third Street—19th Century Commercial District

Case Study Purpose

Late 19th Century Architecture

Architectural Style

Typical Commercial District
Storefront and Street design

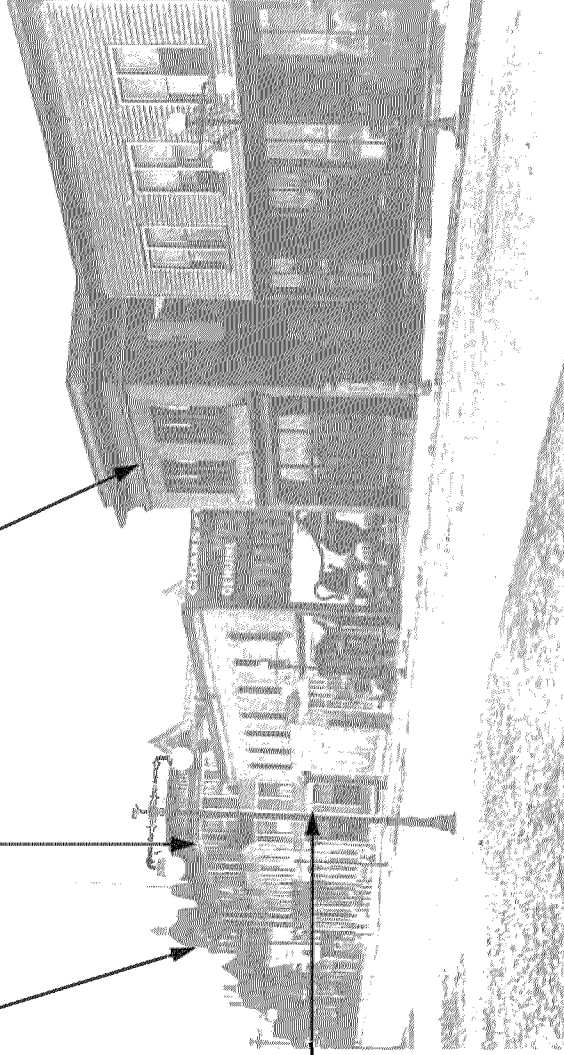
Architectural Elements

Typical historic commercial façade. The front is decorated while the (common) side elevations and back elevations are utilitarian, and unembellished.

Pokagama Hotel—prominent multi story corner building.

Original County Courthouse

Third Street, Grand Rapids, Minn.



Streetscape lighting

Case Study— Hotel Pokegama

Case Study Purpose

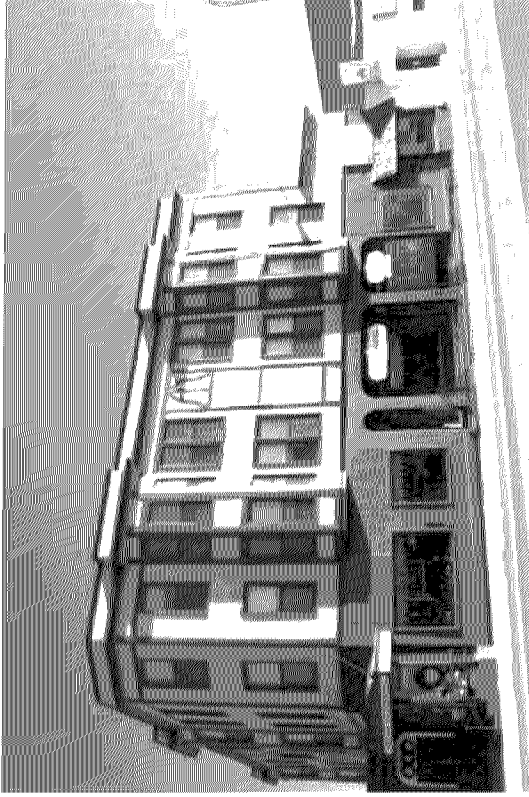
Historic hotel survives.

Architectural Style

19th Century wood framed “Stick Style”

Architectural Elements

Typical historic hotel originally finished on the exterior in a wood “Stick Style”. The characteristics of this style are exemplified with the use of wood clapboard siding, continuous horizontal and vertical trim boards, and structural bracing exposed as part of the exterior trim work. It’s great to see this building has survived even though it’s exterior was stuccoed.

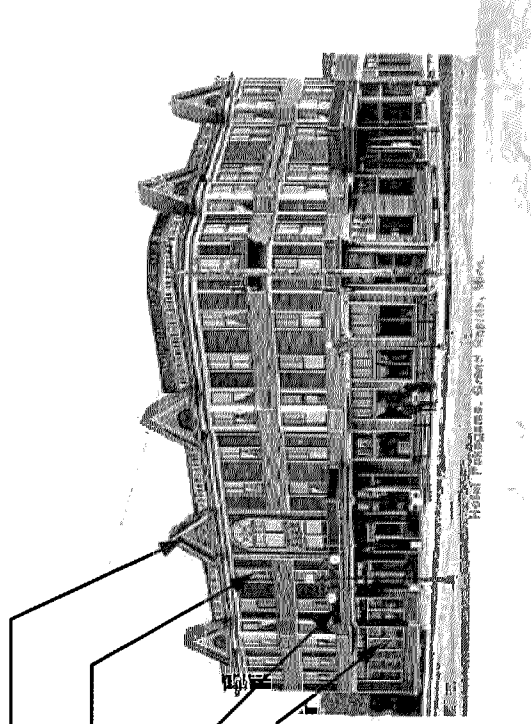


Decorative gabled parapets

Upper two levels included guest rooms with smaller windows

Balustrade canopies

Street level commercial space with large windows.



Case Study— Chamber Of Commerce (Train Depot)

Case Study Purpose

Historic Single Story Public Building

Architectural Style

19th Century wood framed "Stick Style"

Architectural Elements

Single story, gabled roof

Overhang support brackets are structural, yet detailed for decoration

Deep overhangs with exposed rafter ends

Windows small and used conservatively.

Bay window

Wood lap siding with exposed horizontal, vertical, and structural exposed bracing trim.

Building is set back from street (allowed close relationship to railroad tracks and public park like site)



Case Study— Bender's Shoes

Case Study Purpose

Successful historic restoration of downtown commercial building

Architectural Style

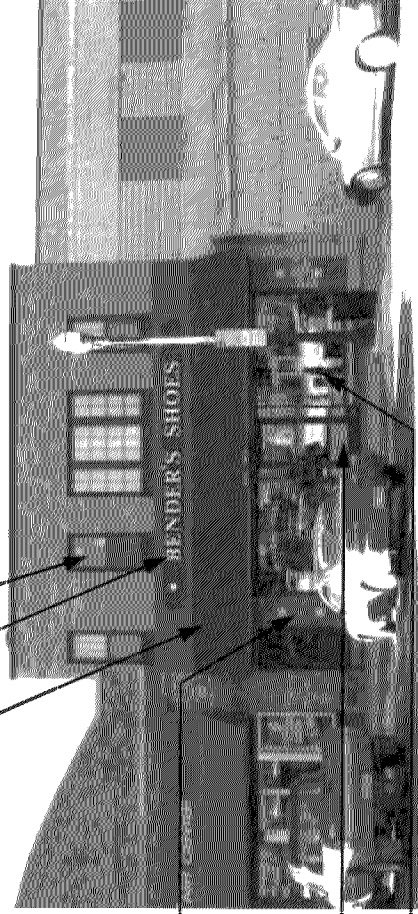
19th Century historic downtown commercial storefront

Architectural Elements

Smaller upper level windows

Business signage is appropriately scaled and represents historic text.

Fabric, non back lit awning



Creative tile design at piers, not historic, but complements the historic proportions and scheme of the building.

Recessed main entry

Large street level merchandize display windows

Case Study— What Not To Do!

Case Study Purpose

Sample of what these standards are trying to avoid

Architectural Style

Renovated historic downtown commercial storefront

Architectural Elements

Flush, bright metal panels contrast adjoining brick

Sign not integral with the building design

Back lit awning not historically correct and does not relate to the building structure

Prefinished metal wall panels— not appropriate material

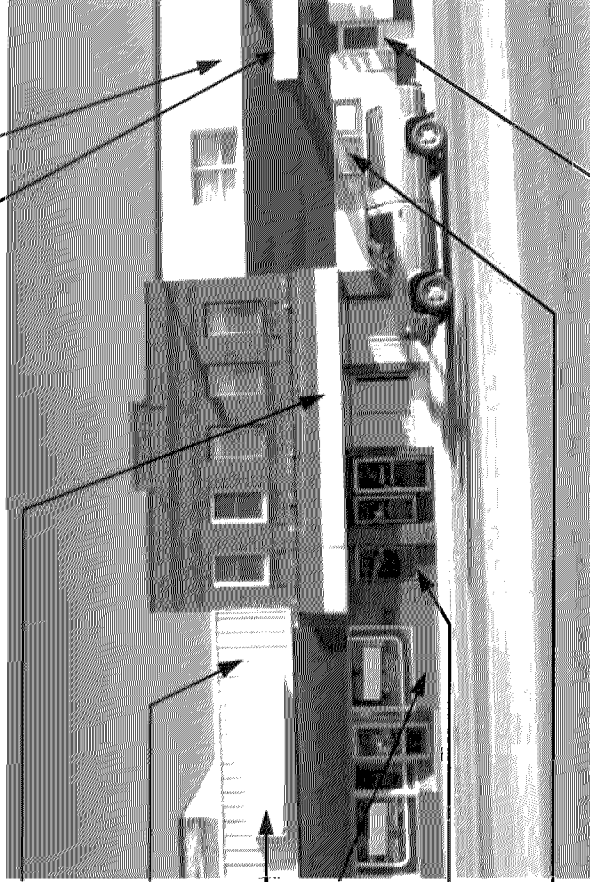
Applied back lit sign

Brick not divided into piers and bulkhead

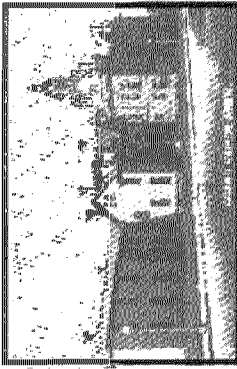
Window infills not appropriate to storefront architecture

Windows not proportioned properly, should be larger at street level.

Residential type door



Case Study— What Style Is It?



Original Itasca County Courthouse & Jail (Extinct)
Beaux-Arts Classicism

- Jail
- Victorian like, simple use of brick
- Court House
- Symmetrical
 - Elaborate stone details
 - Central dome or turret
 - Multiple, and highly detailed roofs and dormers
 - Prominent chimney stacks

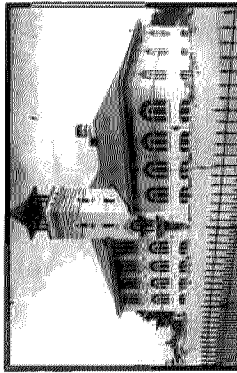
The jail is an example of utilitarian 19th design. The Court House is an excellent example of Beaux-Arts Classicism, a style taught in France where nearly all American architects of this era were trained.



Original Library (Extinct)
Classical

- Symmetrical
- Elaborate carved stone and roof details
- Pediment, formal main entry with grand stairs.
- Partial sloped roof
- Balustrade and parapet at roof edge.
- Oversized windows for natural light
- Classic order—base, middle, corniced cap.

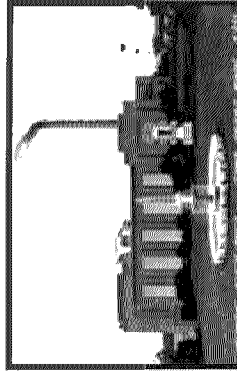
Typical of many Carnegie libraries built across the nation at this time period, the classical design is one of prominence and a grand public gesture. Usually centered on a formally landscaped site.



Original High School (Extinct)
Romanesque

- Asymmetrical
- Elaborate rusticated stone
- Vertical element (tower)
- Round top windows
- Roof line broken into two volumes, 2 story and 3 story

A common style for early school facilities, it provided a sense of durability while offer large windows for ample natural light. Electricity was not very reliable, natural light mandatory.

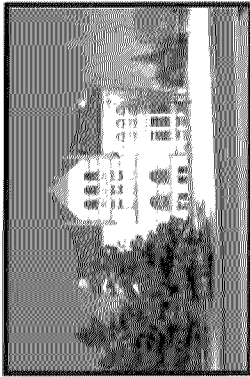


Original Paper Mill (Before later additions)
Early 20th Century Utilitarian

- Asymmetrical
- Simple, yet eloquent brick detail
- Landscaped site
- Window and door treatment simple
- Built in an age before precast concrete, concrete block, cast in place concrete, or pre-engineered steel buildings
- Simplified Art Deco forms

Pre WWI utilitarian buildings were built of brick. Many had some loose adoption of a formal style. A hint of Art Deco can be seen at the entry and the vertical detail of columns.

Case Study— What Style Is It?



Old Central High School
Chateausque

- Symmetrical
- Large hipped roof
- Rusticated stone accents
- Detailed dormer with stone corner turrets
- Joined round top windows
- Bell tower (removed)
- Detailed chimney stacks integrated into the dormer

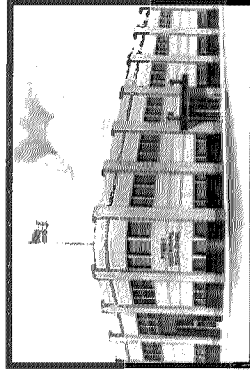
An architecture of “heavy” appearance. Rusticated stone incorporated with brick makes this style relate to the vernacular of the area.



Grand Rapids City Hall
Art Deco

- Symmetrical
- Dominate vertical pilaster extend beyond the roof line
- Simple yet elegant detail
- Smooth, simple use of stone and brick
- Repetitive window pattern
- Prominent street entrances expressed with change in materials or greater detail
- Elaborate carved stone integral with the design

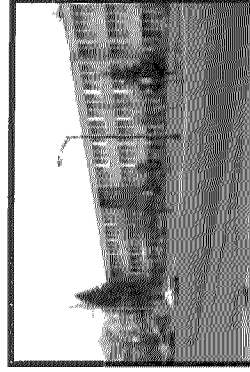
Unusual to the Art Deco style is the use of brick. A local vernacular to Grand Rapids is using brick with stone to achieve clean forms. The elaborate carved stone is incorporated into the pilasters.



First National Bank (Wells Fargo)
Art Deco

- Asymmetrical
- Dominate vertical pilaster extend beyond the roof line
- Simple yet elegant detail
- Smooth, simple use of stone
- Repetitive window pattern
- Prominent street entrances expressed with change in materials or thin flat canopies
- Rounded wall at corner, continuous

Due to the simple use of durable materials, Art Deco buildings usually stand the test of time. They usually remain unchanged on the exterior. Art Deco is a precursor to modern & contemporary



Itasca County Court House (Current)
Streamline Modern

- Asymmetrical
- Large, smooth, two tone stone masonry
- Large repetitive windows, form horizontal band
- Thin, horizontal canopy at main entry
- “Itasca County” signage integral with handrail and building design.
- Flat, unadorned roof

Opposed to verticalness of Art Deco, Streamline Modern is expressed through horizontal detailing. Windows are grouped to form horizontal massing. The main entry is defined as 3 stories.



REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #8

Meeting Date: 12/10/20

Statement of Issue:

Consider adopting a resolution authorizing the issuance of a promissory note to Charles K. Blandin Foundation pursuant to Program Related Investment (PRI) for the Redevelopment Fund.

Background:

With an action by GREDA on the previous agenda item to approve entering into Contingent Purchase Agreements with VFW Ponti Peterson Post 1720 and Jeff and Sherry Rose, action on this agenda item should be considered.

The resolution under consideration states GREDA's intent to make a draw of \$140,000 from the Redevelopment Fund, created under a Program Related Investment Agreement with the Blandin Foundation dated January 2, 2020, to finance the purchases of the VFW and Rose properties for redevelopment purposes.

The resolution authorizes the issuance of a non-recourse promissory note, the form of which is an exhibit to the resolution, in a principal amount of \$140,000. As permitted under the Program Related Investment Agreement, the Note is non-interest bearing and requires a single balloon payment of the unpaid principal either upon sale of the property by GREDA or at five years after the date of the Note, whichever occurs earliest.

Recommendation:

Required Action:

Pass a motion adopting a resolution authorizing the issuance of a promissory note to Charles K. Blandin Foundation pursuant to Program Related Investment (PRI) for the Redevelopment Fund.

Attachments:

Resolution

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

**RESOLUTION AUTHORIZING THE ISSUANCE OF
PROMISSORY NOTE TO CHARLES K. BLANDIN
FOUNDATION PURSUANT TO PROGRAM RELATED
INVESTMENT AGREEMENT FOR REDEVELOPMENT FUND**

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

Section 1. Recitals.

1.01. Program Related Investment Agreement.

(a) The Authority and the Charles K. Blandin Foundation (“Blandin”) entered into a Program Related Investment Agreement dated as of January 2, 2020, as amended by First and Second Addenda thereto (as so amended, the “PRI Agreement”), pursuant to which Blandin committed up to \$1,000,000 in loan funds to the Authority for the purpose of establishing an Authority redevelopment fund (the “Redevelopment Fund”), from which the Authority agreed to make loans and other draws for redevelopment purposes within the City of Grand Rapids (the “City”).

(b) Pursuant to the First and Second Addenda to the PRI Agreement, the Authority and Blandin agreed to transfer \$650,000 from the Redevelopment Fund to a newly-established Emergency Working Capital Fund for purposes of providing assistance to local businesses affected by the COVID-19 pandemic, resulting in a total of \$450,000 available in the Redevelopment Fund.

(c) Pursuant to the PRI Agreement, the Authority is authorized to make loans and other draws from the Redevelopment Fund through December 31, 2024 and to issue its non-recourse promissory notes (each a “Note”) to Blandin in connection with each draw.

(d) The Authority has determined to make a draw from the Redevelopment Fund in the principal amount of \$140,000 to finance the acquisition by the Authority of two properties in the downtown area of the City (together, the “Property”) for redevelopment purposes, and to issue a Note to Blandin to evidence its draw for this purpose. The Property is described on Exhibit A to this Resolution.

1.02. PRI Agreement and Addenda Ratified. The Board hereby approves and ratifies the PRI Agreement and the First and Second Addenda thereto. The President and Executive Director are authorized and directed to execute the Second Addendum 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 Second Addendum by such officials shall be conclusive evidence of approval.

1.03. Note Authorized; Issuance and Terms of the Note. The Board hereby authorizes issuance of the Note to Blandin to evidence the Authority’s obligation to repay the Redevelopment Fund pursuant to the PRI Agreement. The Authority will issue the Note pursuant to the terms of the PRI Agreement for

the Redevelopment Fund. The Note shall be dated as of the date of closing on acquisition of the Property, and shall not bear interest.

Section 2. Form of Note. The Note shall be in substantially the form attached as Exhibit B to this Resolution.

Section 3. Terms, Execution and Delivery.

3.01. Denomination, Payment. The Note shall be issued as a typewritten note.

Principal of the Note shall be payable by check or draft issued by the Registrar described herein. The Note shall not bear interest.

3.02. Dates. Principal of the Note shall be payable by mail to Blandin on the Maturity Date as defined in the Note.

3.03. Registration. The Authority hereby appoints the Executive Director to perform the functions of registrar, transfer agent and paying agent (the "Registrar"). The effect of registration and the rights and duties of the Authority and the Registrar with respect thereto shall be as follows:

(a) Register. The Registrar shall keep at its office a bond register in which the Registrar shall provide for the registration of ownership of the Note and the registration of any transfers and exchanges of the Note.

(b) Transfer of Note. Upon surrender for transfer of a Note duly endorsed by the registered owner thereof or accompanied by a written instrument of transfer, in form reasonably satisfactory to the Registrar, duly executed by the registered owner thereof or by an attorney duly authorized by the registered owner in writing, the Registrar shall authenticate and deliver, in the name of the designated transferee or transferees, a new Note of a like aggregate principal amount and maturity, as requested by the transferor. Notwithstanding the foregoing, the Note shall not be transferred to any person other than an affiliate, or other related entity, of Blandin unless the Authority has been provided with an opinion of counsel or a certificate of the transferor, in a form satisfactory to the Authority, that such transfer is exempt from registration and prospectus delivery requirements of federal and applicable state securities laws.

(c) Cancellation. A Note surrendered upon any transfer shall be promptly cancelled by the Registrar and thereafter disposed of as directed by the Authority.

(d) Improper or Unauthorized Transfer. When a Note is presented to the Registrar for transfer, the Registrar may refuse to transfer the same until it is satisfied that the endorsement on such Note or separate instrument of transfer is legally authorized. The Registrar shall incur no liability for its refusal, in good faith, to make transfers which it, in its judgment, deems improper or unauthorized.

(e) Persons Deemed Owners. The Authority and the Registrar may treat the person in whose name the Note is at any time registered in the bond register as the absolute owner of the Note, whether the Note shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal of such Note and for all other purposes, and all such payments so made to any such registered owner or upon the owner's order shall be valid and effectual to satisfy and discharge the liability of the Authority upon such Note to the extent of the sum or sums so paid.

(f) Taxes, Fees and Charges. For every transfer or exchange of the Note, the Registrar may impose a charge upon the owner thereof sufficient to reimburse the Registrar for any tax, fee, or other governmental charge required to be paid with respect to such transfer or exchange.

(g) Mutilated, Lost, Stolen or Destroyed Note. In case any Note shall become mutilated or be lost, stolen, or destroyed, the Registrar shall deliver a new Note of like amount, maturity dates and tenor in exchange and substitution for and upon cancellation of such mutilated Note or in lieu of and in substitution for such Note lost, stolen, or destroyed, upon the payment of the reasonable expenses and charges of the Registrar in connection therewith; and, in the case the Note lost, stolen, or destroyed, upon filing with the Registrar of evidence satisfactory to it that such Note was lost, stolen, or destroyed, and of the ownership thereof, and upon furnishing to the Registrar of an appropriate bond or indemnity in form, substance, and amount satisfactory to it, in which both the Authority and the Registrar shall be named as obligees. The Note so surrendered to the Registrar shall be cancelled by it and evidence of such cancellation shall be given to the Authority. If the mutilated, lost, stolen, or destroyed Note has already matured or been called for redemption in accordance with its terms, it shall not be necessary to issue a new Note prior to payment.

3.04. Preparation and Delivery. The Note shall be prepared under the direction of the Executive Director and shall be executed on behalf of the Authority by the signatures of its President and Executive Director. In case any officer whose signature shall appear on the Note shall cease to be such officer before the delivery of the Note, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery. When the Note has been so executed, it shall be delivered by the Executive Director to Blandin in accordance with the PRI Agreement.

Section 4. Security Provisions.

4.01. Pledge. The Authority hereby pledges to the payment of the principal of the Note all proceeds of the sale of the Property, subject to the provisions of Section 4.02 hereof. Repayments shall be applied to payment of the principal of the Note in accordance with the terms of the form of Note set forth in Exhibit B to this Resolution.

4.02. Note Fund. Until the date the Note is no longer outstanding and no principal thereof (to the extent required to be paid pursuant to this Resolution) remains unpaid, the Authority shall maintain a separate and special "Note Fund" to be used for no purpose other than the payment of the principal of the Note. The Authority irrevocably agrees to appropriate to the Note Fund on or before the Maturity Date the proceeds of the sale of the Property. Any repayment amounts in excess of the principal amount required to fully pay the principal of the Note and remaining in the Note Fund upon such payment in full shall be retained by the Authority.

Section 5. Certification of Proceedings.

5.01. Certification of Proceedings. The officers of the Authority are hereby authorized and directed to prepare and furnish to Blandin certified copies of all proceedings and records of the Authority, and such other affidavits, certificates, and information as may be required to show the facts relating to the legality of the Note as the same appear from the books and records under their custody and control or as otherwise known to them, and all such certified copies, certificates, and affidavits, including any heretofore furnished, shall be deemed representations of the Authority as to the facts recited therein.

Adopted by the Board of Commissioners of the Grand Rapids Economic Development Authority
this 10th day of December, 2020.

**GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY**

President

ATTEST:

Secretary

EXHIBIT A

Property

Approximately the East thirty-nine feet of Lots Thirteen (13), Fourteen (14) and Fifteen (15) and the East thirty-nine (39') of the north ten (10') feet of Lot Sixteen (16), all in Block Eighteen (18), Town of Grand Rapids, according to the plat thereof on file and of record in the office of the Register of Deeds in and for Itasca County, Minnesota.

PID: 91-410-1850

Abstract

And

The East Forty-five feet (E. 45') of the West One Hundred Three and Three tenths feet (W. 103.3') of Lots Thirteen (13), Fourteen (14) and Fifteen (15), LESS the South one and eight tenths feet (S. 1.8') thereof, all in Block Eighteen (18), Town of Grand Rapids AND That part of Lot Fifteen (15) and Sixteen (16) of Block Eighteen (18), Town of Grand Rapids, described as follows: Commencing at a point on the East boundary line of the East 45 feet of the West 103.3 feet of said Lot 15, which point is 1.8 feet North of the South boundary of said Lot 15 and is the point of beginning; thence South along an extension of the East line of the Marr Building a distance of 7 feet; thence West and parallel to the boundary (South) line of the Marr Building a distance of 25 feet 11 inches, more or less, to the Eastern wall of the First National Bank Building as the same presently exists; thence North along said Eastern wall a distance of 7 feet to a point directly opposite the point of beginning; thence East a distance of 25 feet 11 inches, more or less, to the point of beginning and to there terminate, Itasca County, Minnesota.

PID: 91-410-1840

Abstract

EXHIBIT B

Form of Note

NON-RECOURSE PROMISSORY NOTE

\$140,000
0.0%

_____, 2020

FOR VALUE RECEIVED, Grand Rapids Economic Development Authority (the “**Authority**”) hereby promises to pay to the order of Charles K. Blandin Foundation (“**Blandin**”), or its successors or assigns as the case may be, at Blandin’s principal place of business, or such other place as may be specified in writing by Blandin, the principal sum of \$140,000. This Note shall not bear interest. The terms governing repayment of the principal shall be as described below. All payments shall be due and payable in lawful money of the United States of America.

This Note is issued under the terms and conditions of that certain Program Related Investment (PRI) Agreement between the Authority and Blandin dated January 2, 2020, as amended (the “**PRI Agreement**”). The holder thereof is entitled to all of the benefits and subject to all of the obligations provided for in said PRI Agreement, or referred to in said PRI Agreement, to which reference is made for a statement of the terms and conditions under which this indebtedness was incurred and the events of default under which the due date of this Note may be accelerated. The provisions of the PRI Agreement are incorporated by reference herein with the same force and effect as if fully set forth herein.

This Note matures upon the earlier of (a) the sale by the Authority of the real property described on Exhibit A of this Note, or (b) five (5) years from the date of this Note (the “**Maturity Date**”). Repayment of this Note will consist of a single balloon payment of the unpaid principal on the Maturity Date of this Note. Principal of this Note may be fully or partially prepaid at any time without premium or penalty.

Maker waives presentment, dishonor, protest, demand, diligence, notice of protest, notice of demand, notice of dishonor, notice of nonpayment, and any other notice of any kind otherwise required by law in connection with the delivery, acceptance, performance, default, enforcement, or collection of this Note and expressly agrees that this Note, or any payment hereunder, may be extended or subordinated (by forbearance or otherwise) at any time, without in any way affecting the liability of the Authority.

This Note may not be amended or modified, nor shall any waiver of any provision hereof be effective, except only by an instrument in writing signed by the party against whom the enforcement of any amendment, modification, or waiver is sought.

This Note shall be governed by and construed according to the laws of the State of Minnesota without regard to conflict of laws principles.

IN WITNESS WHEREOF, the Authority has executed this Note as of the date first above written.

By: _____
Robert Mattei, Director of Community Development
Grand Rapids Economic Development Authority



REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #9	Meeting Date: 12/10/20
Statement of Issue:	Consider a contingent lease termination with Speak Easy LLC for their space in Central School.
Background:	<p>Speak Easy LLC occupies Suite 203 of Central School. The monthly rent is \$851.40 and the term of the lease runs until the end of 2021.</p> <p>Speak Easy is also the recipient of a \$5,000 GREDA Emergency Working Capital Loan and a \$2,500 Coronavirus Relief Fund Small Business Grant. These funds were paid out to Speak Easy on Sept. 21.</p> <p>On September 30, Speak Easy asked if they could switch spaces in the building, something that was lower cost. I recommended Suite 3, formerly rented by another mental health practitioner. The business owner looked at it and declined. On October 16, staff received a request to get out of the lease. The reasons stated by the owner referenced having to see clients virtually, which she would do from home, and she also expressed concern about safety in the building due to the pandemic.</p> <p>Because the EWCL carries with it a requirement that the business be located in Grand Rapids, which her home is not, staff made the business owner aware that this would cause a default. Staff consulted with Commissioners Blake and O'Leary, of the EWCL Committee and a proposal was communicated to Speak Easy. The proposal was that a recommendation would be made to consider a lease termination contingent upon her approval of a loan workout agreement that required an accelerated repayment of the loan over one year, rather than immediate, full, repayment due to the default. The business owner declined this proposal.</p> <p>We've been recently informed by the business owner that she is seeking alternative financing to pay off the \$5,000 EWCL Note. Based upon that, I agreed to bring this proposed action forward that would terminate the lease contingent upon repayment of the \$5,000 EWCL.</p>
Recommendation:	
Required Action:	Pass a motion approving a lease termination with Speak Easy LLC contingent upon their repayment of the \$5,000 EWCL.
Attachments:	



REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #10	Meeting Date: 12/10/20
Statement of Issue:	GREDA Work Plan
Background:	<p>At the December 10th meeting, we will:</p> <ul style="list-style-type: none">• Review and discuss the tabulation and the resulting preliminary ranking• Commissioners will have the opportunity to discuss, and make a case for work items they feel are important.• Through consensus, the GREDA will make any final adjustments to the ranking• Lastly, the GREDA will determine which items will be listed as GREDA taking a lead role, a partnering role or a supporting role. <p>Following this meeting, staff will develop a work approach, based on a quarterly timeline, for each priority issue. This will then be presented to the GREDA for final adoption or adoption with additional changes at the first GREDA meeting in January of 2021</p>
Recommendation:	
Required Action:	
Attachments:	Tabulation

