



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, June 25, 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 Conference Room 2A in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, June 25, 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 June 11, 2020 special meeting.
5. Consider approval of claims
6. Consider adopting a resolution authorizing GREDA to make application to the MN Dept. of IRRR Taconite Area Community Relief Grant Program.
7. Consider approval of the 2019 GREDA Annual Report
8. Updates:
9. 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 – 3/1/19

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
THURSDAY, JUNE 11, 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, June 11, 2020 at 4:00 p.m. in Conference Room 2A of City Hall, 420 North Pokegama Avenue, Grand Rapids, Minnesota.

CALL OF ROLL: On a Call of Roll the following members were present: Commissioners: Dale Christy, Sholom Blake, Tasha Connelly, John O’Leary Mike Korte, Mike Przytarski, Cory Jackson. Absent: None.

SETTING OF REGULAR AGENDA: Approved without addition.

APPROVAL OF MINUTES:

MOTION BY COMMISSIONER CONNELLY, SECOND BY COMMISSIONER JACKSON TO APPROVE THE MINUTES OF THE MAY 29, 2020 SPECIAL MEETING. The following roll call vote was taken: Yea: Jackson, Connelly, O’ Leary, Christy, Korte, Przytarski, Blake. Opposed: None, passed unanimously.

APPROVAL OF CLAIMS:

MOTION BY COMMISSIONER O’LEARY, SECOND BY COMMISSIONER PRZYTARSKI TO APPROVE CLAIMS IN THE AMOUNT OF \$61,285.48.

El Potro	\$15,000.00	Laurie Passard	\$15,000.00
Megan Kellin	\$15,000.00	Miskovich Dental Clinic	\$15,000.00
MN DEED	\$1,000.00	Northern Star Cooperative	\$229.14
PUC	\$56.34		

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

Consider approval of Emergency Working Capital Loans and authorize their payment.

MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER CONNELLY TO APPROVE AN EMERGENCY WORKING CAPITAL LOAN TO ANGEL NAILS AND AUTHORIZE PAYMENT IN THE AMOUNT OF \$15,000. The following roll call vote was taken: Yea: Christy, Connelly, Korte, Przytarski, Jackson, O’Leary, Blake. Nay: None, passed unanimously.

MOTION BY COMMISSIONER KORTE, SECOND BY COMMISSIONER O’LEARY TO APPROVE AN EMERGENCY WORKING CAPITAL LOAN TO UNWINED UP NORTH AND AUTHORIZE PAYMENT IN THE AMOUNT OF

\$15,000. The following roll call vote was taken: Yea: Christy, Connelly, Korte, Przytarski, Jackson, O'Leary, Blake. Nay: None, passed unanimously.

Consider approval of a lease agreement with Mary Corwin and David Dobbs for Suite 202, Central School.

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER PRZYTARSKI TO APPROVE A LEASE AGREEMENT WITH MARY CORWIN AND DAVID DOBBS FOR SUITE 202, CENTRAL SCHOOL AND VACATE THE FREE RANGE FOOD COOP LEASE. The following roll call vote was taken: Yea: O'Leary, Jackson, Przytarski, Korte, Connelly, Christy, Blake. Nay: None, passed unanimously.

Updates:

EWCL- Staff has had discussion with the Blandin Foundation on creating another PRI for this program or drawing on the two that GREDA already have.

IRRRB- They have a new program that provides grants to EDA's, HRA's and non-profits for working capital funding. The match is 1-4 Mr. Mattei would like to coordinate efforts with IEDC for this program.

Rebound Development- The developer has submitted building plans for a Best Western which are currently under review in the building department.

Aurora Heights- The developer has submitted building plans which are currently under review in the building department.

Federal EDA Grant- Mr. Mattei is gathering letters of support and an RFP has gone out for engineering services.

There being no further business the meeting adjourned at 4:22 p.m.

Respectfully submitted:

Aurimy Groom, Recorder

DATE: 06/22/2020
 TIME: 13:58:11
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 06/25/2020

VENDOR #	NAME	AMOUNT DUE

EDA - CAPITAL PROJECTS		
AINSWORTH FACILITY REDEVELPMNT		
0718060	GRAND RAPIDS HERALD REVIEW	286.00
	TOTAL AINSWORTH FACILITY REDEVELPMNT	286.00
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$ 286.00
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
1309199	MINNESOTA ENERGY RESOURCES	45.00
1621130	P.U.C.	61.72
T001316	GRAND RAPIDS SPEEDWAY INC	10,000.00
T001320	ALICE R BILLNGS	8,000.00
T001322	XUAN T NGUYEN	15,000.00
	TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:	\$33,106.72
	TOTAL ALL DEPARTMENTS	33,392.72



REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #6

Meeting Date: 6/25/20

Statement of Issue:

Consider adopting a resolution authorizing GREDA to make application to the MN Dept. of IRRR Taconite Area Community Relief Grant Program

Background:

The Minnesota Department of Iron Range Resources and Rehabilitation recently announced a new program available to EDAs. The Taconite Area Community Relief (TACR) grant program was established to assist local units of government in creating community lending programs for businesses adversely impacted by the COVID-19 pandemic.

The TACR is funded at \$2,000,000 for the entire Taconite Relief Area. The anticipated grant awards will range between \$50 - \$400 thousand dollars. IRRR requires a minimum of 1:4 match per project.

As GREDA has discussed, the pandemic is expected to impact businesses in Grand Rapids for a long period, and we need to be prepared for another round of need for our Emergency Working Capital Loans. Our current balance in the fund for that program is \$34,000.

With IEDC also implementing a program similar to the GREDA EWCL, staff discussed a coordinated approach to requesting these funds for Itasca County. What was agreed was a total ask of the maximum of \$400,000 for Itasca County, with GREDA requesting \$200,000 within their application for Grand Rapids and IEDC requesting the same amount for all other areas of the County. This approach was also discussed with IRRR program staff.

I had a recent, positive, discussion with Sonja Merrild, Blandin Foundation, about the potential for an additional draw of up to \$150,000, shared between our two Program Related Investments, to use as match. While a minimum match of \$50,000 is required for the \$200,000 grant, showing we have capacity to leverage their funds further will be favorable to our request.

Another plus with this grant is that the funds remain with GREDA and can be placed into our CBIL RLF when payments come back from EWCL program loans.

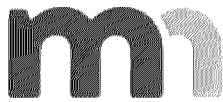
Recommendation:

Required Action:

Pass a motion adopting a resolution authorizing GREDA to make application to the MN Dept. of IRRR Taconite Area Community Relief Grant Program

Attachments:

Resolution
TACR grant program guidelines



DEPARTMENT OF IRON RANGE RESOURCES & REHABILITATION

Taconite Area Community Relief Grant Program

Taconite Area Community Relief grants assist local units of government in creating a community lending program for local businesses adversely impacted by the COVID-19 pandemic.

Contact: Whitney Ridlon, 218-735-3004, Whitney.Ridlon@state.mn.us

Eligible Applicants: Cities, townships or tribal units of government located within the agency's service area. EDA's, HRA's, joint powers boards and community nonprofits are eligible to apply as a fiscal agent for local communities. Multi-community collaboration is encouraged.

Ineligible Projects: Funds cannot be used for administrative fees, origination costs or service fees.

Funding: Taconite Area Community Relief is funded at \$2,000,000 for FY21. The grant awards range from \$50,000 to \$400,000. The agency requires a minimum of a 1:4 match per project.

Evaluation Criteria (100 points) – *Must be addressed in project narrative.*

1. Business and job creation. (50 points)

- Communities that apply will be ranked based on factors including total population, number of workers in a community and number of businesses.

2. Leverage. (25 points)

- Total project investment.
- Bonus points will be awarded for additional financial participation from project partners that result in a larger total relief program.

3. Community use of funds (20 points)

- Describe and identify scope of community problem.
- Describe and identify the proposed use of funds.
- Describe and identify the community is capable to manage program, administer program and leverage other state and federal financing and technical assistance to enhance resource available to local businesses.

4. Project serves an underserved community/population. (5 points)

- Population experiencing inequities and/or disparities
- Diverse populations that include:
 - Racial and ethnic communities, including American Indians
 - LGBTQI communities
 - Disability status
 - Veterans
 - Geographic

Application Process and Review

Applications are accepted June 11, 2020 through July 6, 2020. All eligible applications received during this time period are reviewed and scored according to the evaluation criteria. Grants are awarded to the most competitive applications. Applications submitted after July 6, 2020 through the end of the agency's fiscal year (June 30, 2021) may be awarded on a rolling basis subject to meeting minimum scoring criteria and subject to the availability of remaining program funds.

All applications are reviewed by a team and evaluated and scored on an individual basis. Grant program administrators do not score applications for their respective program.

Project funding is subject to the Commissioner's final approval. Project must meet objectives, priorities and policies established by the Commissioner.

Notify grant program administrator of any changes to application after final submittal.

Application Checklist

- Project narrative:**
 - Narrative must address evaluation criteria.
 - Job creation and retention that will result from the assistance program.
 - Describe additional financial participation or partnerships that are part of this assistance program.
- Resolution for this project authorizing applicant to apply for and accept funds.**
- For non-governmental organizations, copies of financial document(s) as indicated below:**

Annual Income of Organization	Document to Upload with Application
Under \$750,000	Most recently filed IRS Form 990
Over \$750,000	Most recent certified financial audit

- Resolutions/letters of support from respective governing bodies of the community the program will serve.**
- Letters of support from funding sources listed in budget table.**
- Other documentation to support the application.**

Additional Information

- Awarded projects must meet the Minnesota Prevailing Wage Statutes and the agency's board policy as stated in the grant agreement.
- Project information is subject to Minnesota Data Practices Act, Minnesota Statute Chapter 13.
- Once contract is executed the agency will release all or a portion of funds to grantee after they have submitted a report itemizing all recommended loans including award amount, description of use of funds and summary of all other state and/or federal financing programs that will be utilized.

- Grantees are expected to encourage borrowers to apply for other state and federal financing programs.
- Grantees are required to maintain and provide a tracking report quarterly through June 30, 2021 itemizing loans funded and balances.
- A site visit may be conducted by an authorized representative of the agency.
- A final report is required including loans funded, amount awarded, brief description of use of funds and summary of all other state and/or federal financing programs that were utilized for that business.
- Repayment of funds to the local Relief Program can be used by the local communities for future economic development programs.
- Any funding not released to eligible businesses prior to June 30, 2021 will be returned to the agency.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. 20-

**RESOLUTION AUTHORIZING THE GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY TO
MAKE APPLICATION TO AND ACCEPT FUNDS FROM
THE MN DEPT. OF IRRR TACONITE AREA COMMUNITY RELIEF GRANT
PROGRAM**

WHEREAS THE authorizing authority approves of the attached application for the Grand Rapids Economic Development Authority Emergency Working Capital Loan Program:
and

WHEREAS THE authorizing authority hereby agrees to accept funding for the underlying project, if approved by the Minnesota Department of IRRR.

NOW THEREFORE BE IT RESOLVED that the authorizing authority of the Grand Rapids Economic Development Authority, does hereby adopt this resolution.

Upon vote taken thereon, the following voted:

For:

Against:

Whereupon said Resolution No. _____ was declared duly passed and adopted this 25th day of June, 2020.

Sholom Blake
GREDA President

Rob Mattei
Executive Director

GRAND



2019 Annual Report

1000
Economic Development
1000

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Mission

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

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

Governance

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

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

The GREDA Board of Commissioners includes the following volunteers:

Member	Position	Affiliation/Occupation	Term Expires
Sholom Blake	President	Private Business Owner/CPA	3/1/25
Tasha Connelly	Commissioner	City Council/Student Support Specialist	12/31/22 Concurrent with Council Term
John O'Leary	Commissioner	Ret. Economic Dev. Professional	3/1/25
Mike Przytarski	Commissioner	Property Owner/Manager	3/1/21
Cory Jackson	Commissioner	Business Financial Officer	3/1/23
Mike Korte	Commissioner	Economic Development Loan Officer	3/1/22
Dale Christy	Commissioner	City Council/Teacher	12/31/20 Concurrent with Council Term

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

Also providing valued service to the GREDA during 2019 was City Council member Rick Blake (serving on the GREDA from 2015-2019).

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

This report summarizes GREDA's activities and financial condition for the year ending December 31, 2019.

Respectfully submitted,



Sholom Blake, Grand Rapids EDA
President



Development Property and Leased Assets

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

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

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

Inventory Summary:

<u>Site Description</u>	<u>Number of Developable Lots (GREDA Owned)</u>	<u>Acreage Total</u>
Industrial Park Two	1	2.38
Industrial Park East	6	8.30
Airport South Industrial Park – Phase 1 & 2	11	17.61
Airport Property (unplatted)	1	20.0
Blocks 20 & 21 Riverfront Dev. Site	1	1.46
Block 5 Riverfront Dev. Site	1	1.8
Totals:	21	51.55

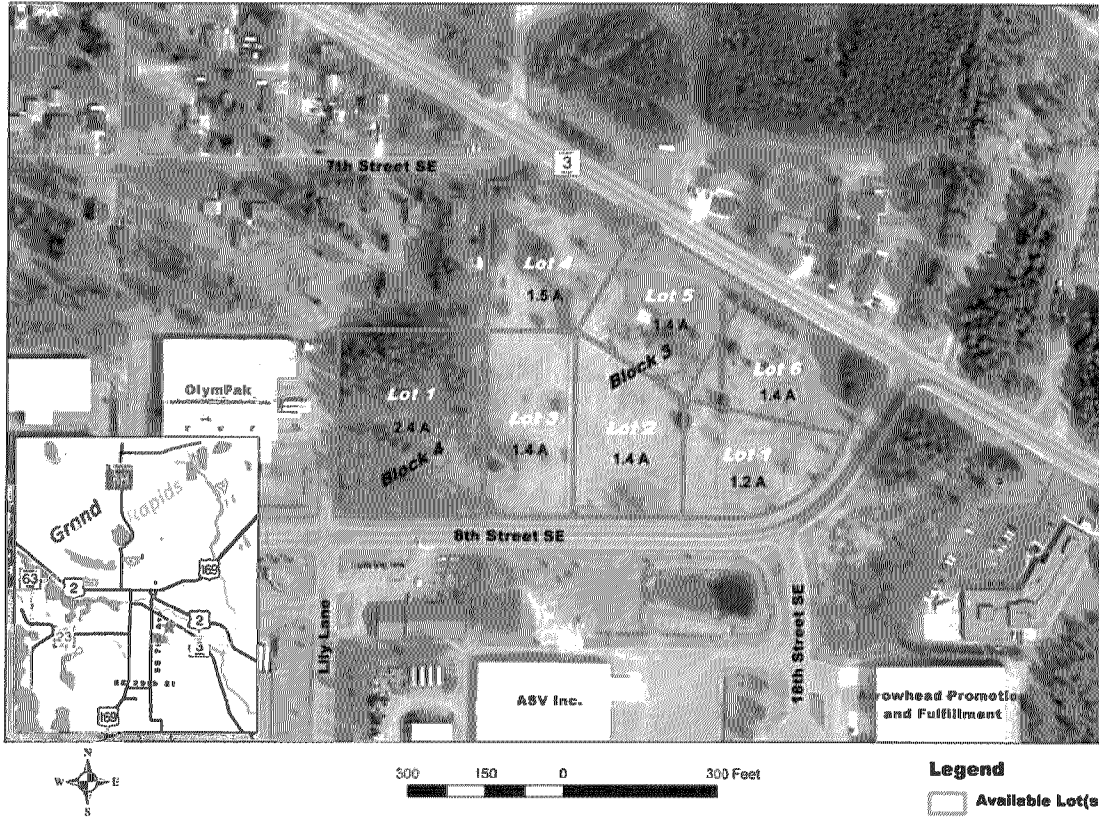
In addition to an inventory for industrial and commercial lands available for development, GREDA owns a 7,500 s.f. commercial hangar at the Grand Rapids/Itasca County Airport. This facility is currently leased to ACC Manufacturing, a division of ONE Aviation.

Central School:

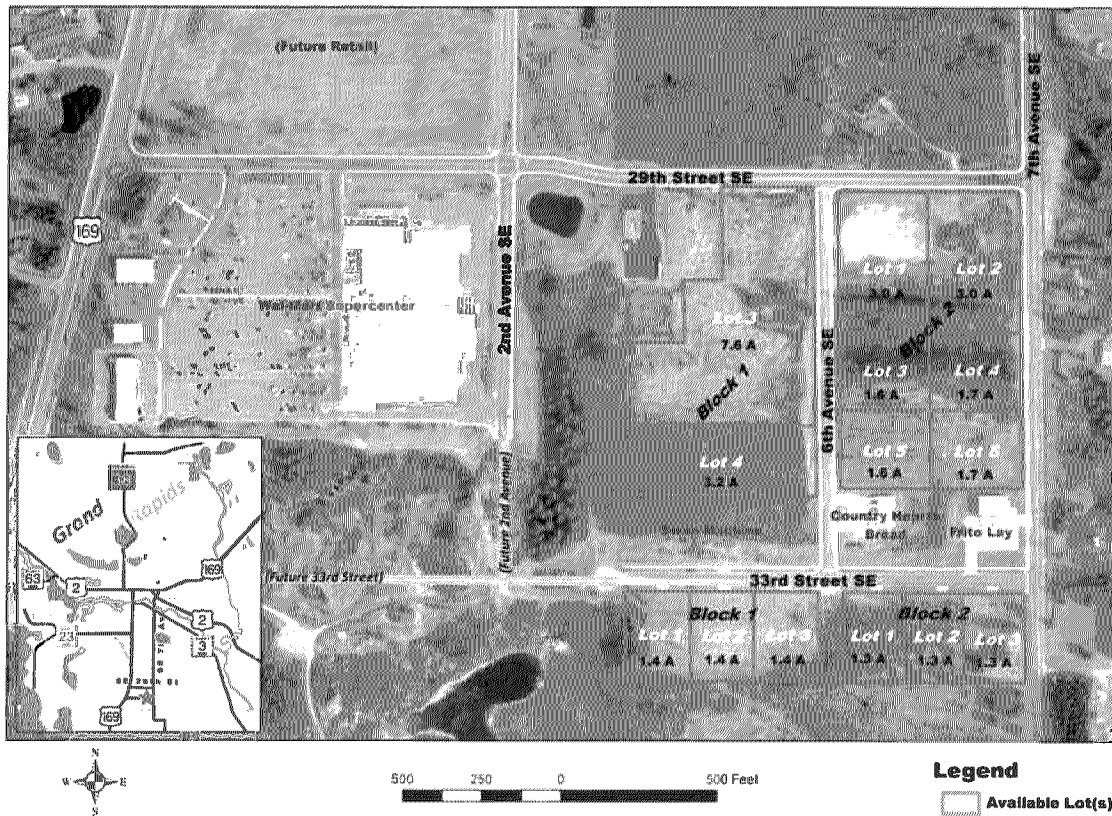
Central School was redeveloped by the City in 1983 and has been operated as a multi-tenant leased space for a mixture of commercial retail and office uses. Central School contains 15 suites totaling 10,250 square feet of leasable space. In 2014, the City Council tasked GREDA with the management of leasing. At the time of this report, 62% of the space is occupied.



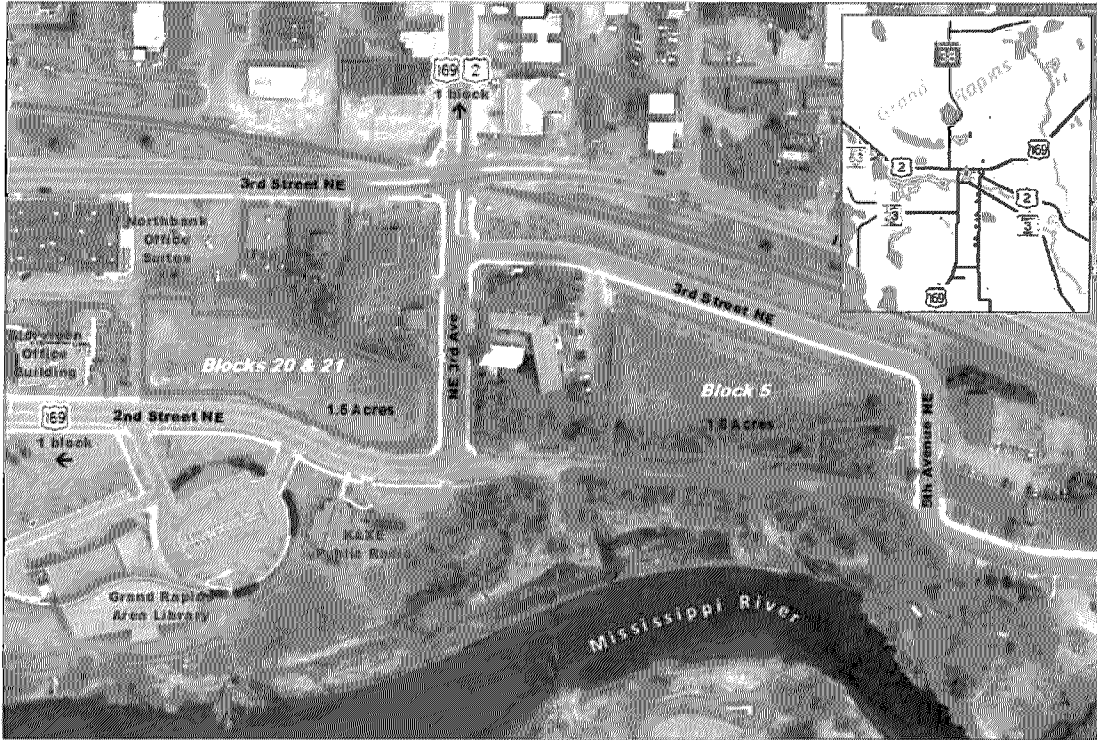
Grand Rapids Industrial Park East



Grand Rapids Airport South Industrial Park: Phases I & II



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



0 50 100 200 300 400 Feet

Legend
 Available Lot(s)

Airport Property (unplatted)



0 150 300 450 600 750 900 1050 1140 Feet



Business Assistance Programs

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

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

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

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



MRM Apartments (2013)- 105 NE 5th St.

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

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

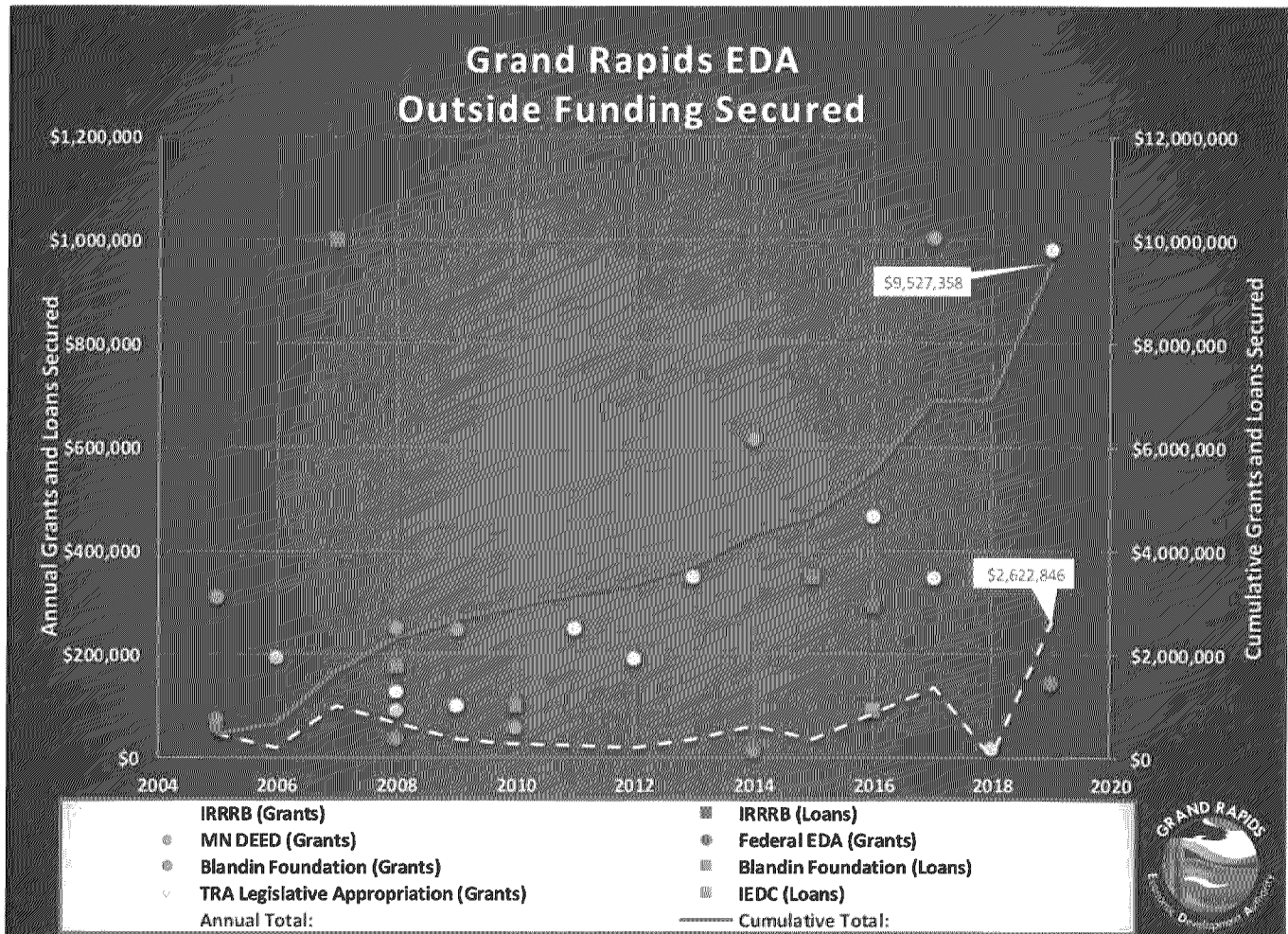


This program was largely underutilized until early 2006 when the GREDA took action to redefine and improve the program structure and guidelines. These program changes were well received as loan activity has steadily increased.

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

Additional Project Funding

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



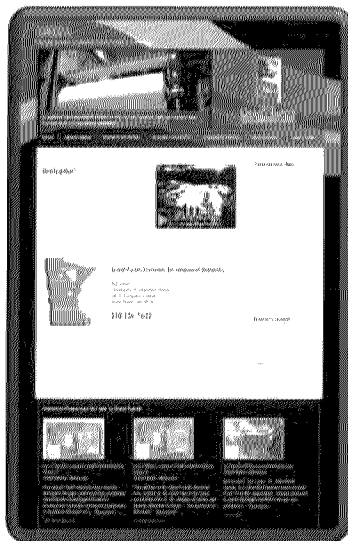
Business Retention and Attraction

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

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

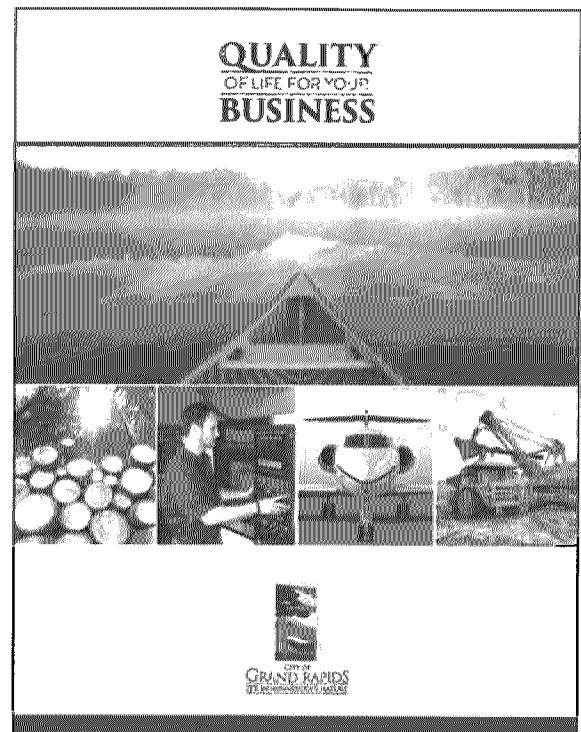
This is not to say, however, that GREDA disregards the value of business attraction efforts, as evidenced by their expanding industrial park areas. With a well-rounded inventory of sites to offer, GREDA has begun to dedicate additional resources to their marketing efforts, including:

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



- ❖ The GREDA website launched in September 2011 at www.grandrapidseda.com with updated property listing/mapping functions added in 2018.

GREDA twitter account launched October 2012: @GR_EconDevAuth



¹“The Job Generation Process.” Dr. David Birch, MIT Economist



Summary of Activities - 2019

DEED Small Cities Development Program (SCDP) Grant

- ❖ Grant amount awarded in 2017 - \$878,720
- ❖ The grant involves funding the rehabilitation of at least 20 owner occupied residential homes at a maximum assistance of \$22,400/unit and at least 10 commercial building rehabilitations, with a maximum SCDP assistance of \$32,000/rehabilitation project. (Targeted Areas)
- ❖ GREDA offered supplemental financing, with enhanced terms, through its Commercial Building Improvement Loan (CBIL) Program.
- ❖ GREDA is in the final year of implementing the 3rd DEED Comprehensive SCDP grant awarded to the City in the last 10 years.
- ❖ In combination, these three SCDP grants have allowed GREDA to provide an additional \$665K of deferred/forgivable loans to 23 commercial building rehabilitation projects in targeted areas of Grand Rapids.
- ❖ The current SCDP program has assisted in the rehabilitation of 8 commercial buildings and 15 owner-occupied single-family homes.
- ❖ The term of the SCDP grant runs through September of 2020. The grant is open until its expiration on Sept. 30, 2020, however a request to extend the term of the grant by one year has been submitted, due to the impacts of COVID-19.
- ❖ Upon completion of the SCDP grant, including the prior SCDP grants in 2009 and 2014, the City/GREDA will have provided over \$665,000 in forgivable SCDP loans to 23 local commercial projects.

Blandin Foundation Program Related Investments (PRI)

- ❖ Secured a new \$500,000 PRI to re-capitalize the GREDA Commercial Building Improvement Loan Program. The PRI funds allowed GREDA to reduce the interest rate on CBIL program loans from 4% to 2%
- ❖ Secured a new \$1,000,000 PRI for the Redevelopment Loan Program. The new PRI allows for a wider range of interest rates, depending on the specifics of the project. These loans will be directed to projects that will serve to combat blight and stimulate investment in all commercially zoned areas of the City

North Homes Expansion

- ❖ Prepared a successful application to IRRR for a \$350K Development Infrastructure Grant to support North Homes establishment of a new 52-bed psychiatric rehabilitation treatment facility for youth and young adults. The project will convert and expand their existing 20-bed residential treatment facility at 1920 River Rd.
- ❖ This project involves 65-80 new jobs with wages ranging from \$32,240 - \$75,000 annually, plus benefits.
- ❖ Construction is anticipated to begin this spring/summer

Former Ainsworth Site Infrastructure

- ❖ Developed cost estimates, funding plans and narrative to preliminarily present the project to a Federal EDA representative.
- ❖ The project would provide sewer and water service to both IEDC owned property in Cohasset and JM Longyear owned property/building located in Grand Rapids.



GREDA Commercial Building Improvement Loan Program

- ❖ Three loans, totaling \$93,919, provided to local projects in 2019.
- ❖ Over the last 10 years, GREDA has provided \$680,145 in CBIL loans to 23 local businesses.

Unique Opportunities – 21st Street SE Apartments

- ❖ Unique Opportunities LLC, a Fergus Falls based multi-family housing developer, the City of Grand Rapids and the Grand Rapids EDA entered into a Preliminary Development Agreement that established Unique as the sole developer of a 3 acre tract of City/GREDA property located at the SW corner of 21st St. SE & 7th Ave. E. (Airport Rd.) for a period of 120 days.
- ❖ During this period, Unique performed site due diligence and developed their real estate proforma for their proposed development of a \$4.9 million 48-unit apartment with 20% of the units being proposed as affordable and the remainder market rate.
- ❖ Unique Opportunities applied for \$500,000 of TIF business assistance. GREDA reviewed the application and approved a recommendation for \$372,000 of TIF over a 15-year term. This was approved by the City Council and construction is set to begin this summer.

The Pillars of Grand Rapids Senior Housing Project

- ❖ Excelsior, MN based developer Oppidan proposed the development of a 120-unit senior housing development project on land owned by and west of Grand Itasca Clinic and Hospital. The project proposed involved approximately 68 independent senior apartments along with 30 assisted living and 20 memory care units.
- ❖ Oppidan requested \$4.0 million in TIF business assistance from the City for this \$27M project.
- ❖ GREDA reviewed the application and approved a recommendation for \$1,751,800 of TIF over an 8-year term. This was approved by the City Council and construction is set to begin this summer.

Plat of Great River Acres

- ❖ This spring, the City completed a land sale and a land exchange with ISD#318 for siting the new east and west elementary schools.
- ❖ The 20-acre tract for the west elementary school was a portion of a 45 acre site obtained by the City in a 2016 land exchange with Blandin Paper, now subdivided into the plat of Great River Acres. In exchange for the 20 acre tract, the City received the former Riverview School site and the Forest Lake School, to be provided as a cleared site.
- ❖ The remaining property in Great River Acres was conveyed to GREDA who is marketing the 15 single family home sites and one 15-acre multi-family site for sale and development. Properties are listed on www.grandrapidseda.com
- ❖ GREDA secured the first Purchase and Development Agreement for the sale and development of a single family home that will be built this summer.

Other Areas of Activity

- ❖ Submitted a successful application to MN IRRR for a \$57,800 Development Infrastructure Grant for the Anytime Fitness project.



GREDA Financial Summary – 2019 Operating Fund

CITY OF GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2019
With Comparative Totals for the Year Ending December 31, 2018

	2018 TOTAL	2019 YTD ACTUAL	2019 ANNUAL BUDGET
Fund Balance 1/1/XX:	\$28,558	\$30,968	\$30,968
REVENUES:			
Taxes	15,000		
Miscellaneous	779	427	
Interest - Investments	345		400
Interest - Loans	-	-	-
Mortgage Payment	-	-	-
Fund Balance Usage	-	-	15,400
TOTAL REVENUES	16,124	427	15,800
EXPENDITURES:			
Supplies/Materials	31	23	50
Other Services/Charges	13,682	14,275	15,750
TOTAL EXPENDITURES	13,713	14,298	15,800
REVENUES > EXPENDITURES	2,411	(13,871)	-
FUND BALANCE			
Fund Balance Usage	2,411	(13,871)	(15,400)
FUND BALANCE 12/31/XX	\$30,969	\$17,097	\$15,568



GREDA Financial Summary – 2019 Capital Projects Fund

**CITY OF GRAND RAPIDS
ECONOMIC DEVELOPMENT AUTHORITY**
SCHEDULE OF CHANGES IN REVENUE, EXPENDITURES, AND FUND BALANCE
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2019

Fund Balance 1/1/19 \$646,199

REVENUES:

Taxes	55,754
Supplemental Aid	2,906
ST/MN-DEED Grant	298,307
ST/MN-IRRRB Grant	
Interest- Investments	10,607
Interest- Loans	6,452
Miscellaneous	172
Natural Gas CIAC Fee	13,143
Manufacturing Hanger Rent	32,424
Rent- EDA House	12,000
Payment from Govt Unit	
Principal-Loan Payments	
ASV Loan Payments	
Sale of Land held in Inventory	45,000
Loan Proceeds	45,110
TOTAL REVENUES	<u>\$521,875</u>

EXPENDITURES:

Blandin Foundation Loan Payment	22,971
Ainsworth Facility Redevelopment	143
Miscellaneous Projects	23
Downtown Block 18-21	550
Airport South Industrial Parks	32,309
Comm. Building Improvement Loan Program	95,116
DEED Development Programs	298,307
Manufacturing Hanger Expenses	28,581
Great River Acres Development	41,607
ASV Parts Distribution Center	160
TOTAL EXPENDITURES	<u>\$519,767</u>

2019 REVENUES > EXPENDITURES \$2,108

FUND BALANCE 12/31/19 (1) \$648,307

Please Note:

(1) The Fund Balance includes designations for the Comm Bldg Imprv Loans of \$6,360



2020 Work Plan – Overview of Process

The GREDA recently completed the development of their 2020 Work Plan. The work plan development process first involved a review of the unfinished business from the 2019 Work Plan, and a review of the goals stated within Economic Development Element of the Comprehensive Plan. From that exercise, the GREDA Commissioners identified a list of potential objectives for 2020. Those potential objectives were examined and ranked by the individual GREDA members, and, through additional group discussion, the GREDA approved a list of priorities and a work approach for the issues they will take a lead role in completing and those that they will partner with others on.

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

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

Chances of success: Is the objective reasonably attainable?

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

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

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





Grand Rapids Economic Development Authority 2020 Work Plan

* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule		
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Support the growth and stability of existing businesses/entrepreneurs	Lead	<ul style="list-style-type: none"> ▪ Respond to private development interest, review and consider any requests for public financing, such as TIF and Tax Abatement, sponsor MN Dept. of IRRR commercial redevelopment (demolition) or site development grant requests. ▪ Participate in the development of a revised BRE program together with IEDC and others. 	<ul style="list-style-type: none"> ▪ Participate in five BRE site visits to existing industrial businesses to hear about their needs, and inform them of programs that can assist them with any plans for expansion, financing of equipment and customized training. ▪ Follow up on action items/leads. 	<ul style="list-style-type: none"> ▪ Investigate the need, potential advantages and risks of expanding the GREDA CBIL program to provide loans for business technology upgrades. ▪ Look at opportunities to provide assistance to the private development of a co-working environment. 	
Collaborate with local, regional and state EDOs.	Partner	<ul style="list-style-type: none"> ▪ Work with IEDC on Federal EDA Economic Adjustment grant funded activities. ▪ Maintain a positive and productive working relationship with IRRR and DEED. 			
Assist in redevelopment of strategic commercial sites, such as; former Ray's Sport and Marine, Kramer's block, Block 29 and former K-Mart	Lead	<ul style="list-style-type: none"> ▪ Work with owners and developers to access state and local business assistance programs to close financing gaps. 			



* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule		
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Address the lack of industrial building inventory	Lead		<ul style="list-style-type: none"> Consider completing a demand analysis for industrial space. Consider creating "paper spec" industrial building options. 		
Continue to support the development of a thriving Downtown	Lead	<ul style="list-style-type: none"> Provide as needed support for private redevelopment projects in the Downtown. Work with County officials on options for Courthouse/Jail expansion onto Bock 29 	<ul style="list-style-type: none"> Continue to market and promote the development of GREDA Block 5 and Block 20/21 sites. Speak with Central Square Mall owners to determine if GREDA can assist. 	<ul style="list-style-type: none"> Prepare an updated Downtown Redevelopment Master Plan. 	
Support continual investment in medical technology, training, and marketing to enhance Grand Rapids position as the regional center for medical services	Lead	<ul style="list-style-type: none"> Visit with local medical officials to gather input on actions that can support further growth. 	<ul style="list-style-type: none"> Follow up 		
Support the re-establishment of industry at the former Ainsworth site	Partner	<ul style="list-style-type: none"> Continue to work with EDOs to promote the site to new industry, particularly those focused on emerging markets that would further diversify our economic base. 	<ul style="list-style-type: none"> Assist development proposals by sponsoring grant applications for infrastructure extension and redevelopment costs, and consider the need for use of TIF and/or Abatement 		
Support the development of a variety of new housing options and investment in maintaining existing	Lead	<ul style="list-style-type: none"> Continue to market for sale GREDA sites, including Great River Acres. Evaluate requests for business 		<ul style="list-style-type: none"> Complete the implementation of the Small Cities Development Program housing rehabilitation projects. 	



* Results of Issue Identification and Ranking			* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4	
housing stock		assistance associated with housing.				
Promote retail growth and new development	Lead	<ul style="list-style-type: none"> Identify retail gaps and increase active recruitment of businesses that can meet market needs/opportunities 		<ul style="list-style-type: none"> Consider a collaboration with VGR to commission a study to assess demand for additional hotel and meeting space. 		
Work with county and regional partners to advocate for options that sustain tax base and address the long-term needs of important industrial power consumers in our region, provided by the Clay Boswell MP site.	Partner	<ul style="list-style-type: none"> Collaborate with the County, City of Cohasset, regional industries, the Coalition of Utility Cities and MN Power. 				
Conduct a review of development regulations	Lead	<ul style="list-style-type: none"> Form a subcommittee to research this topic and report findings to the full GREDA. 				

