



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

**Thursday, December 12, 2019
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, December 12, 2019 at 4:00pm.

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 14, 2019 regular meeting.
5. Consider approval of claims
6. Consider adopting a resolution amending the Preliminary Development Agreement between GREDA, the City and Unique Opportunities LLC.
7. 2020 GREDA Work Plan development session.
8. Updates:
9. Adjourn

GREDA Commissioners/terms:

Dale Christy – 12/31/2020 (with council term)
Rick Blake– 12/31/2022 (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, NOVEMBER 14, 2019
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 on Thursday, November 14, 2019 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, John O’Leary, Mike Przytarski, Cory Jackson. Absent: Mike Korte, Rick Blake.

SETTING OF REGULAR AGENDA: Approved with addition.

Approve payment to Northern Air Plumbing and Heating in the amount of \$85.00.

APPROVAL OF MINUTES:

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER O’LEARY TO APPROVE THE MINUTES OF THE OCTOBER 24, 2019 REGULAR MEETING. The following voted in favor thereof: Jackson, S. Blake Przytarski, O’ Leary, Christy. Opposed: None, passed unanimously.

APPROVAL OF CLAIMS:

MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER JACKSON TO APPROVE CLAIMS IN THE AMOUNT OF \$59,815.22.

Grand Rapids Herald Review	\$63.25	Itasca County H.R.A.	\$57,059.17
Itasca County Recorder	\$46.00	Kennedy & Graven	\$460.00
Minnesota Energy Resources	\$45.00	DEED	\$2000.00
P.U.C	\$141.80		

The following voted in favor thereof: Jackson, O’Leary, Christy, S. Blake, Przytarski. Opposed: None, passed unanimously.

Approve payment to Northern Air Plumbing & Heating in the amount of \$85.00.

mMOTION BY COMMISSIONER O’LEARY, SECOND BY COMMISSIONER CHRISTY TO APPROVE PAYMENT IN THE AMOUNT OF \$85.00 TO NORTHERN AIR PLUMBING AND HEATING. The following voted in favor thereof: Przytarski, O’Leary, Christy, S. Blake, Jackson. Opposed: None, passed unanimously.

Conduct a Public Hearing to consider a plan for conveyance of GREDA owned Lots 2-8, Block 2 and Lots 1-8, Block 3 in the plat of Great River Acres.

Community Development Director Mattei provided background information. Staff noted all legal requirements have been met and there has been no correspondence received.

MOTION BY COMMISSIONER O'LEARY, SECOND BY COMMISSIONER CHRISTY TO OPEN THE PUBLIC HEARING. The following voted in favor thereof: Jackson, S. Blake, Christy, O'Leary, Przytarski. Opposed: None, passed unanimously.

President Blake asked if anyone wished to speak and no one came forward.

MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER JACKSON TO CLOSE THE PUBLIC HEARING. The following voted in favor thereof: Przytarski, O'Leary, Christy, S. Blake, Jackson. Opposed: None, passed unanimously.

Consider adopting a resolution approving a plan for conveyance of certain lots owned by the Economic Development Authority and ratify approval of Purchase and Development Agreement.

MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER CHRISTY TO ADOPT RESOLUTION 19-02 APPROVING A PLAN FOR CONVEYANCE OF CERTAIN LOTS OWNED BY THE ECONOMIC DEVELOPMENT AUTHORITY AND RATIFYING APPROVAL OF A PURCHASE AND DEVELOPMENT AGREEMENT. The following voted in favor thereof: Jackson, S. Blake, Christy, O'Leary, Przytarski. Opposed: None, passed unanimously.

Consider adopting a resolution supporting a modification to the Development Program for the City's Development District No. 1, establishing Tax Increment Financing District No. 1-12 therein and adopting a Tax Increment Financing Plan therefor.

Community Development Director Mattei provided power point with the project background and answered questions regarding the TIF process.

MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER CHRISTY TO ADOPT RESOLUTION 19-03 SUPPORTING A MODIFICATION TO THE DEVELOPMENT PROGRAM FOR THE CITY'S DEVELOPMENT DISTRICT NO. 1, ESTABLISHING TAX INCREMENT FINANCING DISTRICT NO. 1-12 THEREIN AND ADOPTING A TAX INCREMENT FINANCING PLAN THEREFOR. The following voted in favor thereof: S. Blake, Christy, O'Leary, Przytarski. Opposed: None, Jackson abstained, motion passed.

There being no further business the meeting adjourned at 4:49.

Respectfully submitted:

Aurimy Groom, Recorder

EDA BILL LIST - DECEMBER 12, 2019

DATE: 12/05/2019
 TIME: 14:53:17
 ID: AP443GR0.WOW

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 12/12/2019

VENDOR #	NAME	AMOUNT DUE

ECONOMIC DEVELOPMENT AUTHORITY		
0718010	CITY OF GRAND RAPIDS	600.00
0920065	ITASCA ECONOMIC DEVELOPMENT	10,000.00
	TOTAL	10,600.00
EDA - CAPITAL PROJECTS		
0718010	CITY OF GRAND RAPIDS	3,781.57
	TOTAL	3,781.57
COM BLDG IMP LOAN		
0920060	ITASCA COUNTY TREASURER	43.51
1105530	KENNEDY & GRAVEN	378.00
T001262	NORTHBANK PROFESSIONAL BLD INC	18,919.00
	TOTAL COM BLDG IMP LOAN	19,340.51
GREAT RIVER ACRES DEV		
1105530	KENNEDY & GRAVEN	377.00
	TOTAL GREAT RIVER ACRES DEV	377.00
	TOTAL UNPAID TO BE APPROVED IN THE SUM OF:	\$ 34,099.08
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920051	ITASCA COUNTY H.R.A.	11,622.30
1309170	MN DEED	1,000.00
1415372	NORTHERN AIR PLUMBING	85.00
1415511	NORTHERN STAR COOPERATIVE SERV	483.88
1621130	P.U.C.	297.53
	TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:	\$ 13,488.71
	TOTAL ALL DEPARTMENTS	47,587.79



REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #6	Meeting Date: 12/12/19
Statement of Issue:	Consider adopting a resolution amending the Preliminary Development Agreement between GREDA, the City and Unique Opportunities LLC.
Background:	<p>In response to a letter of intent received from Unique Opportunities LLC (Developer), indicating interest in purchasing and developing 48 units of housing on a City-owned parcel located along 21st St. SE, GREDA entered into a Preliminary Development Agreement with the City and Unique Opportunities, LLC.</p> <p>The Preliminary Development Agreement is a three party agreement between the City, the Grand Rapids EDA and the Developer. Similar to other agreements, the EDA would assume title to the property from the City, which will allow the EDA to place a right of reversion clause in the Purchase and Development Agreement with the Developer. The Preliminary Development Agreement designated Unique as the sole developer of the property for a period of no more than 120 days.</p> <p>Although the Developer has reason to believe that, the soils on the site are not favorable for underground parking they are still interested in moving forward with an application for TIF that would require that 20% of the units are dedicated to individuals or families at or below 50% of AMI.</p> <p>In order to allow for the review and consideration of an application for TIF business assistance, we are recommending an extension of the Preliminary Development Agreement term to April 30, 2020.</p>
Recommendation:	Adopt a resolution amending the Preliminary Development Agreement between GREDA, the City and Unique Opportunities LLC.
Required Action:	Pass a motion adopting a resolution amending the Preliminary Development Agreement between GREDA, the City and Unique Opportunities LLC.
Attachments:	Resolution Preliminary Development Agreement Amendment.

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

APPROVING A FIRST AMENDMENT TO A PRELIMINARY DEVELOPMENT AGREEMENT BETWEEN THE CITY OF GRAND RAPIDS, MINNESOTA THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, AND UNIQUE OPPORTUNITIES LLC

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

1. Background.

1.01. The City of Grand Rapids, Minnesota (the "City"), the Authority, and Unique Opportunities LLC, a Minnesota limited liability company (the "Developer"), entered into a Preliminary Development Agreement in August 2019 (the "Original Agreement"), providing for the negotiation and execution of a mutually satisfactory purchase and development agreement (the "Contract") to address (among other things) the sale of certain property within the City (the "Property") by the Authority to the Developer and the construction by the Developer of an approximately 48-unit apartment complex with underground parking, workout room, community room and shared balcony on the Property.

1.02. The Authority, the City, and the Developer propose to amend certain terms of the Original Agreement to provide the parties with more time to negotiate the Contract.

1.03. There has been presented before the Board a First Amendment to Preliminary Development Agreement (the "Amendment") proposed to be entered into between the Authority, the City, and the Developer, which sets forth modifications to the Original Agreement.

1.04. The Board has reviewed the Amendment and has determined that it is in the best interests of the Authority to approve and execute the Amendment.

2. Approval of Amendment.

2.01. The Authority approves the Amendment, and authorizes and directs the President and Executive Director to execute the same in substantially the form on file, subject to modifications that do not alter the substance of the transaction and are approved by the President and Executive Director, provided that execution of the Amendment by such officials will be conclusive evidence of their approval.

2.02. Authority officials and consultants are authorized to take any other actions necessary to carry out the Authority's obligations under the Amendment and the Original Agreement and to bring the Contract before the Board.

Approved this 12th day of December, 2019, by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary

FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT

THIS FIRST AMENDMENT TO PRELIMINARY DEVELOPMENT AGREEMENT (the "Amendment") dated as of December __, 2019, is by and between the CITY OF GRAND RAPIDS, MINNESOTA, a Minnesota municipal corporation (the "City"), the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic under the laws of the State of Minnesota (the "Authority"), and UNIQUE OPPORTUNITIES LLC, a Minnesota limited liability company (the "Developer"), and amends the Preliminary Development Agreement, dated August __, 2019 (the "Original Agreement," and together with this Amendment, the "Agreement"), between the City, the Authority, and the Developer.

RECITALS

A. The City, the Authority, and the Developer entered into the Original Agreement to provide for the negotiation and execution of a mutually satisfactory purchase and development agreement (the "Contract") that will address (among other things) the sale of certain property within the City (the "Property") by the Authority to the Developer and the construction by the Developer of an approximately 48-unit apartment complex with underground parking, workout room, community room and shared balcony on the Property (the "Development").

B. The City, Authority, and Developer determined it to be in the best interests of all parties to amend certain terms of the Original Agreement to provide the parties with more time to negotiate the Contract.

C. The City, Authority, and Developer agreed to modify certain terms and conditions of the Original Agreement as set forth below.

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

1. Amendment to Section 8 of the Original Agreement. Section 8 of the Original Agreement is amended to read as follows (deleted language is stricken and new language is underlined):

Section 8. Term of Agreement. This Agreement is effective ~~for one hundred and twenty (120) days from the date hereof~~ until April 30, 2020. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein.

This Agreement may also be terminated upon ten (10) days written notice by the City or Authority to the Developer if:

- (a) an essential precondition to the execution of a definitive Contract cannot be met; or
- (b) if, in the sole discretion of the City and the Authority, an impasse has been

reached in the negotiation or implementation of any material term or condition of this Agreement or the Contract;

- (c) or the Developer has failed to provide additional funds to pay for Administrative Costs in accordance with Section 6 hereof.

2. Confirmation of Original Agreement. Except as amended by this Amendment, the Original Agreement shall remain in full force and effect.

3. Effective Date. The amendments made to the Original Agreement, as set forth in this Amendment, shall be effective as of the date and year first written above.

4. Counterparts. This Amendment may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

(The remainder of this page is intentionally left blank.)

IN WITNESS WHEREOF, the City, the Authority, and the Developer have caused this Amendment to be duly executed by their duly authorized representatives.

UNIQUE OPPORTUNITIES LLC

By _____
Its: _____

CITY OF GRAND RAPIDS, MINNESOTA

By _____
Its Mayor

By _____
Its City Administrator

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

By _____
Its President

By _____
Its Executive Director