

## **GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**

**Thursday, April 25, 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, April 25, 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. Approval of minutes from the March 28, 2019 regular meeting.
5. Consider approval of claims
6. Consider approval of the 2018 GREDA Annual Report
7. Authorize the submittal of a request to the Blandin Foundation for a Program Related Investment to support the continued capitalization of the Commercial Building Improvement Loan (CBIL) Program
8. Consider approval of a Residential Lease with ICS Consulting, Inc.
9. Updates:
  - a. Anytime Fitness IRRR Site Development Infrastructure Application
10. Adjourn

#### GREDA Members/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, MARCH 28, 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, March 28, 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: Sholom Blake, Rick Blake , Mike Korte, Dale Christy, John O’Leary. Absent: Mike Przytarski, Cory Jackson.

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

**APPROVAL OF MINUTES:**

**DRAFT**

**MOTION BY COMMISSIONER KORTE, SECOND BY COMMISSIONER R. BLAKE TO APPROVE THE MINUTES OF THE FEBRUARY 28, 2019 REGULAR MEETING. The following voted in favor thereof: S. Blake, Christy, Korte, O’Leary, R. Blake. Opposed: None, passed unanimously.**

**APPROVAL OF CLAIMS:**

**MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER KORTE TO APPROVE CLAIMS IN THE AMOUNT OF \$10,836.85.**

Grand Rapids Herald Review	\$15.25	League of MN Cities Ins. Trust	\$8,525.00
MN DEED	\$1,000.00	Minnesota Energy Resources	\$340.10
Northern Star Cooperative	\$432.29	P.U.C	\$386.62
Visa	\$137.59		

**The following voted in favor thereof: S. Blake, R. Blake, O’Leary, Korte, Christy. Opposed: None, passed unanimously.**

Consider approving a letter of support for an IEDC grant application to the Federal EDA.

IEDC is seeking Federal Economic Development Administration (EDA) funding to respond to the declining economic trends, distress and major business dislocations, which have been occurring for the past several years in the Itasca County Area. Mr. Mattei is requesting approval of a letter of support to be signed by President Blake on behalf of the GREDA.

**MOTION BY COMMISSIONER R. BLAKE, SECOND BY COMMISSIONER JACKSON TO APPROVE A LETTER OF SUPPORT FOR AN IEDC GRANT APPLICATION TO THE FEDERAL EDA. The following voted in favor thereof: Christy, Korte, Jackson, R. Blake, S. Blake. Opposed: None, passed unanimously**

IEDC Update-Tamara Lowney.

Tamara Lowney, President of IEDC provided a power point highlighting what IEDC's mission statement is, who they have been working with the past year and what other economic development organizations they are partnering with. Brian Hanson, CEO of Apex talked about the different trade shows Apex attends and how they work with site selectors.

Consider directing the preparation of request to the Blandin Foundation for a Program Related Investment (PRI) to support the continued capitalization of the Commercial Building Improvement Loan (CBIL) Program.

Due to the success of the CBIL Program staff would like to request the continued capitalization of the program. A request from GREDA would need to be submitted to allow by the Foundation's Finance Committee in May and would be acted on by the Board in June. The GREDA supports staff moving forward with this request.

Updates:

Sawmill Inn Redevelopment- The abatement is complete and demolition has started on the site.

There being no further business the meeting adjourned at 4:50 p.m.

Respectfully submitted:

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Aurimy Groom, Recorder

EDA BILL LIST - APRIL 25, 2019

DATE: 04/19/2019  
 TIME: 11:38:14  
 ID: AP443000.CGR

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 04/25/2019

VENDOR #	NAME	AMOUNT DUE
-----		
ECONOMIC DEVELOPMENT AUTHORITY		
2018225	TREASURE BAY PRINTING	16.50
TOTAL		16.50
EDA - CAPITAL PROJECTS		
COM BLDG IMP LOAN		
0920060	ITASCA COUNTY TREASURER	80.50
T001232	RAPIDS BREWING COMPANY, LLC	35,000.00
TOTAL COM BLDG IMP LOAN		35,080.50
AIRPORT SOUTH INDUSTRIAL PARKS		
0920060	ITASCA COUNTY TREASURER	5,062.00
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		5,062.00
MANUFACTURING HANGAR		
0920060	ITASCA COUNTY TREASURER	7,762.00
1920240	CHAD B STERLE	736.25
TOTAL MANUFACTURING HANGAR		8,498.25
TOTAL UNPAID TO APPROVED IN THE SUM OF:		\$ 48,657.25
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920051	ITASCA COUNTY H.R.A.	22,913.40
0920055	ITASCA COUNTY RECORDER	23.00
1309170	MN DEED	1,000.00
1309199	MINNESOTA ENERGY RESOURCES	176.11
1415511	NORTHERN STAR COOPERATIVE SERV	302.98
1621130	P.U.C.	731.78
2209665	VISA	366.08
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$ 25,513.35
TOTAL ALL DEPARTMENTS		74,170.60

# GRAND



CITY OF  
**GRAND RAPIDS**  
IT'S IN MINNESOTA'S NATURE

## 2018 Annual Report

Prepared by:

City of Grand Rapids  
Executive

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## Mission

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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

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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:

<b>Member</b>	<b>Position</b>	<b>Affiliation/Occupation</b>	<b>Term Expires</b>
Sholom Blake	President	Private Business Owner/CPA	3/1/25
Rick Blake	Commissioner	City Council/Ret.	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

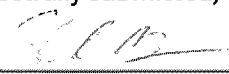
\*The City Finance Director serves as the Asst. Treasurer

Also providing valued service to the GREDA during 2018 was former Commissioner Chris Lynch.

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, 2018.

Respectfully submitted,

  
\_\_\_\_\_  
Sholom Blake, Grand Rapids EDA  
President

## Development Property and Leased Assets

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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.

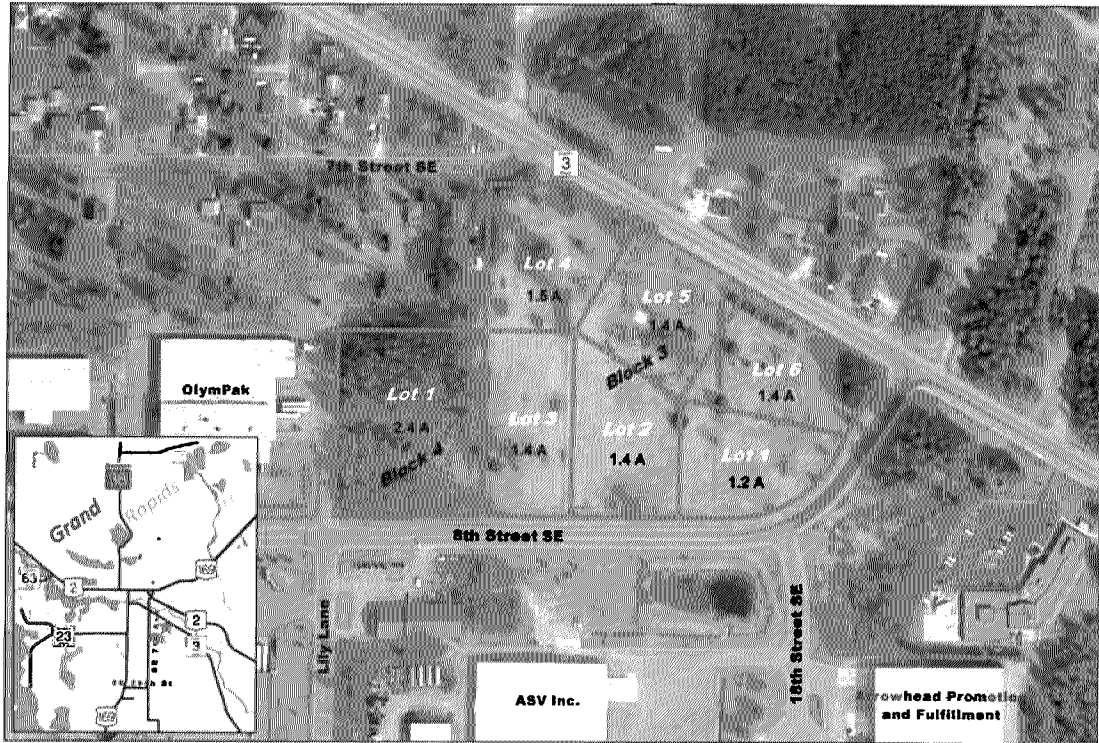
### Central School:

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, 75% of the space is occupied.





## Grand Rapids Industrial Park East

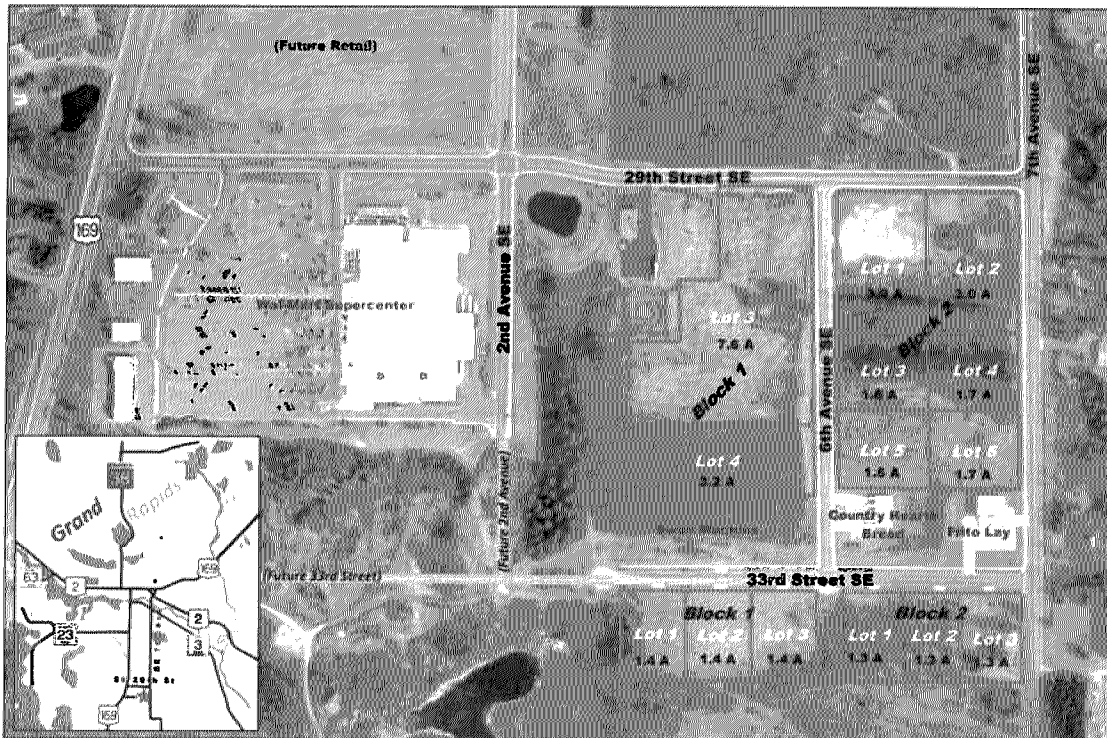


300 150 0 300 Feet

### Legend

□ Available Lot(s)

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

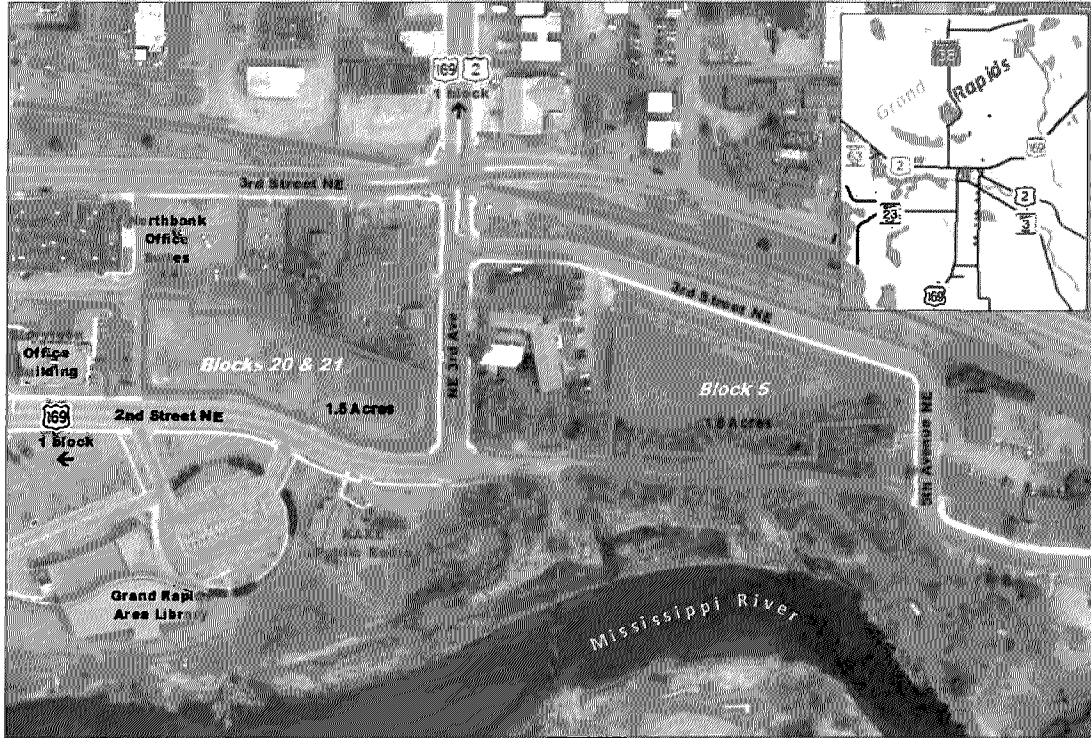


500 250 0 500 Feet

### Legend

□ Available Lot(s)

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



0 50 100 200 300 400 Feet

**Legend**

□ Available Lot(s)

**Airport Property (unplatted)**



0 180 360 720 1080 1440 Feet



## Business Assistance Programs

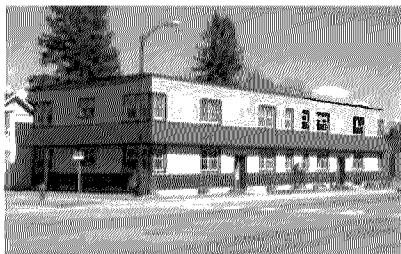
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In order to meet business' needs, GREDA commonly pools their resources together with those of other local, state and federal economic development agencies. Examples of those business assistance programs are listed in the following table:

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

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

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



MRM Apartments (2013)- 105 NE 5<sup>th</sup> 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, whichever may be less. The interest rate for improvement loans is set at four percent (4%), 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.

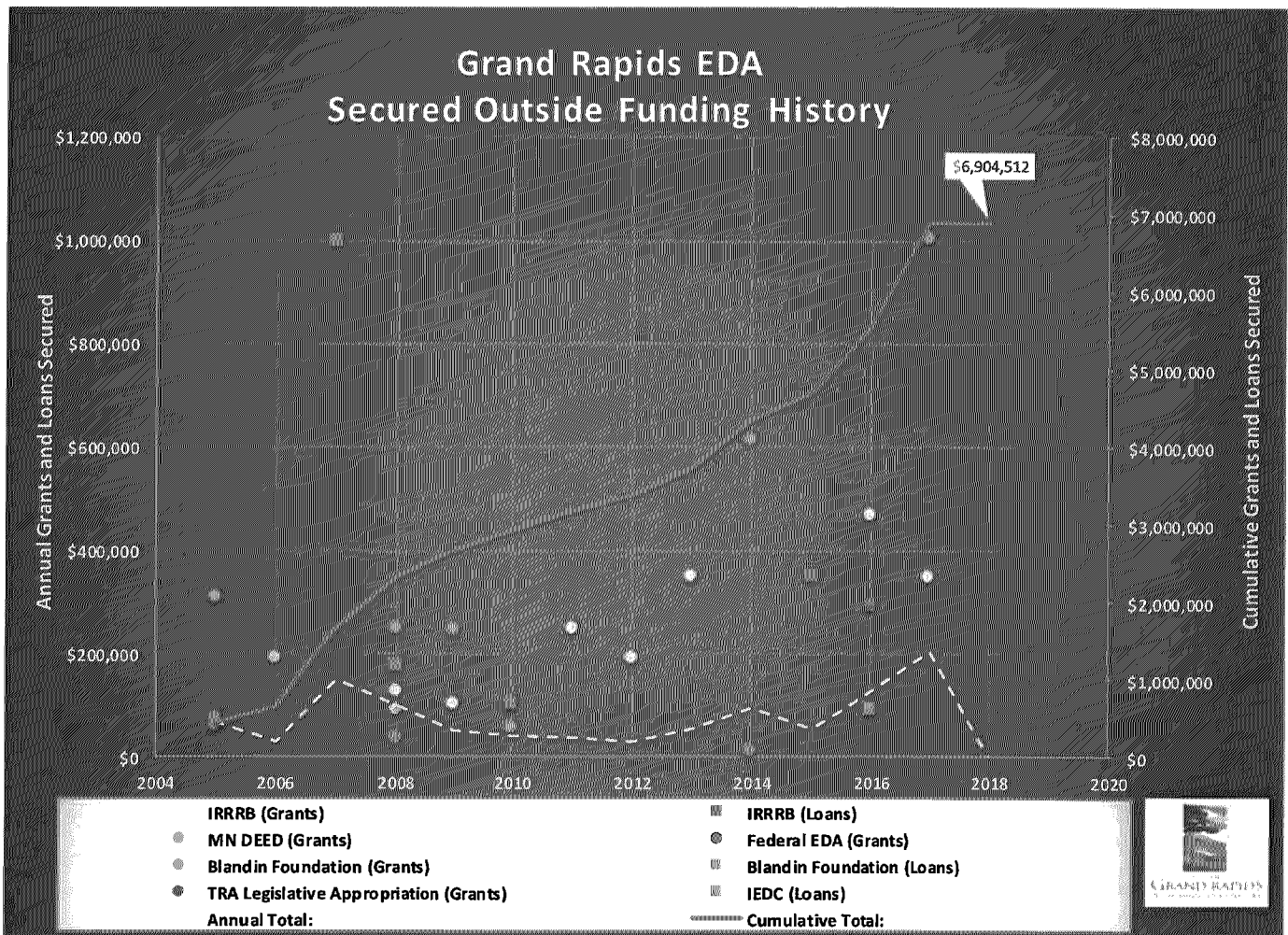


This program was largely underutilized until early 2006 when the GREDA took action to redefine and improve the program structure and guidelines. These program changes were well received as loan activity has steadily increased.

There currently is a portfolio of seventeen loans with a combined principal loan amount of \$549,744.

## Additional Project Funding

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



## Business Retention and Attraction

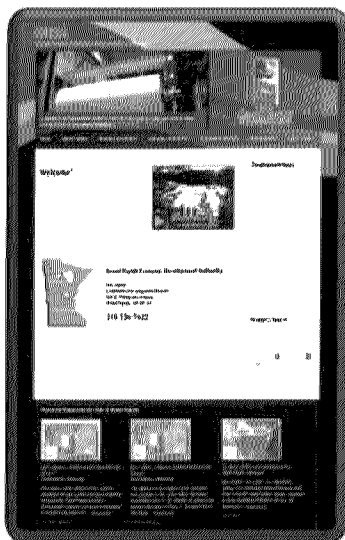
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GREDA views regular interaction with resident companies, such as through a Business Retention and Expansion (BRE) program of structured interviews, as an important component of the Grand Rapids area economic development action plan. The importance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

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.

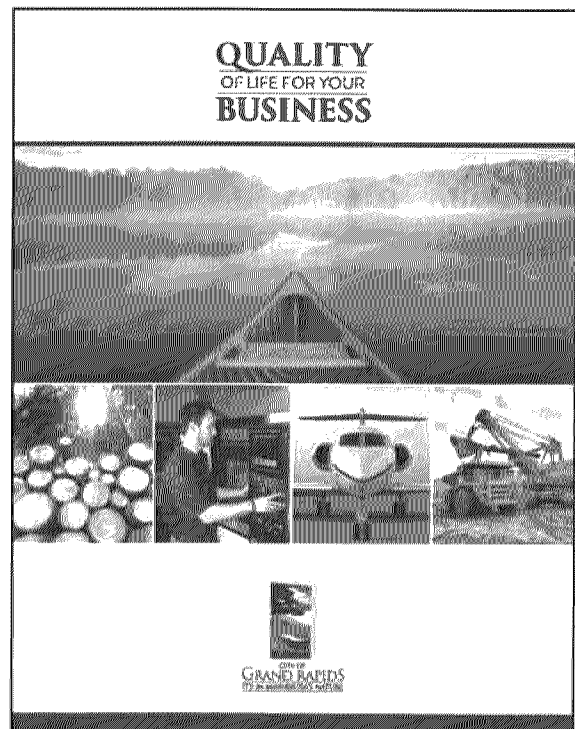
This is not to say, however, that GREDA disregards the value of business attraction efforts, as evidenced by their expanding industrial park areas. With a well-rounded inventory of sites to offer, GREDA has begun to dedicate additional resources to their marketing efforts, including:

- ❖ 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](http://www.grandrapidseda.com) with updated property listing/mapping functions added in 2018.

GREDA twitter account launched October 2012: @GR\_EconDevAuth



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

## Summary of Activities - 2018

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### **DEED Small Cities Development Program (SCDP) Grant Application**

- ❖ 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.
- ❖ In October of 2017 GREDA sought applications through a direct mailing to all commercial properties in the designated target areas. We received 19 applications and went through a selection process that chose the 10 that best met the grant objectives. Construction will commence in the spring on many of those projects.
- ❖ A direct mailing by Itasca County HRA to all residential properties in that target area resulted in 10 applicants thus far. Additional marketing of the program will be done in the spring.
- ❖ The grant is open until its expiration on Sept. 30, 2020.
- ❖ 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.

### **Sawmill Inn Redevelopment**

- ❖ September 2018 GREDA review and City Council approval of a TIF Redevelopment District Plan and Contract for Private Development with Rebound Hospitality. The TIF assistance, which is generated by the private investment in the site, will finance a portion of the additional expense of acquisition and clearing of the site to allow for:
  - Construction of a new 82 unit hotel
  - Four additional lots for a mixture of commercial development
- ❖ City awarded a \$100,000 MN IRRR grant to assist with demolition expense.

### **Rapids Brewing**

- ❖ Secured a grant extension from MN IRRR for the City's Commercial Redevelopment (Demo) grant

### **GREDA Commercial Building Improvement Loan Program**

- ❖ Three loans, totaling \$105,000, provided to local projects in 2018.
- ❖ Four additional loans, totaling \$127,500, have been approved for ongoing and upcoming projects.
- ❖ Over the last 10 years, GREDA has provided \$679,000 in CBIL loans to 23 local businesses.

### **Other Current Areas of Activity**

- ❖ Developing the subdivision of City property on Golf Course Rd. (plat of Great River Acres) with sites for the West Elementary School as well as future single family and multi-family residential development.
- ❖ Completing final agreements for exchange of property and sale of property to ISD 318 for the East and West Elementary Schools.
- ❖ Beginning the analysis of an application for a TIF Housing District submitted by Oppidan Development.
  - Oppidan is proposing the development of a 119 unit senior housing project with independent, assisted living and memory care facilities.
  - The project, which is proposed in an area between Grand Itasca Clinic and Hospital and the City's property being platted as Great River Acres, represents an investment estimated at over \$27million.
- ❖ Implementation of the Small Cities Development Program (SCDP) commercial and residential redevelopment projects.
- ❖ Continuing the process of updating the City's Comprehensive Plan.

# GREDA Financial Summary – 2018 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, 2018  
With Comparative Totals for the Year Ending December 31, 2017

	2017 TOTAL	2018 YTD ACTUAL	2018 ANNUAL BUDGET
<b>Fund Balance 1/1/XX:</b>	\$42,310	\$28,558	\$28,558
<b>REVENUES:</b>			
Taxes		15,000	
Miscellaneous	1,995	779	
Interest - Investments	310	345	500
Interest - Loans	-	-	-
Mortgage Payment	-	-	-
Fund Balance Usage	-	-	14,650
<b>TOTAL REVENUES</b>	<b>2,305</b>	<b>16,124</b>	<b>15,150</b>
<b>EXPENDITURES:</b>			
Supplies/Materials	7	31	50
Other Services/Charges	16,050	13,682	15,100
<b>TOTAL EXPENDITURES</b>	<b>16,057</b>	<b>13,713</b>	<b>15,150</b>
<b>REVENUES &gt; EXPENDITURES</b>	<b>(13,752)</b>	<b>2,411</b>	<b>-</b>
<b>FUND BALANCE</b>			
Fund Balance Usage	(13,752)	2,411	(14,650)
<b>FUND BALANCE 12/31/XX</b>	<b>\$28,558</b>	<b>\$30,969</b>	<b>\$13,908</b>



# GREDA Financial Summary – 2018 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, 2018

**Fund Balance 1/1/18** \$713,420

#### REVENUES:

Taxes	40,336
Supplemental Aid	3,186
ST/MN-DEED Grant	240,800
ST/MN-IRRRB Grant	
Interest- Investments	7,593
Interest- Loans	5,331
Miscellaneous	8,610
Natural Gas CIAC Fee	13,358
Manufacturing Hanger Rent	6,198

Payment from Govt Unit	300,000
Principal-Loan Payments	30,149
ASV Loan Payments	6,000
Sale of Land held in Inventory	
Loan Proceeds	125,000

**TOTAL REVENUES** \$786,561

#### EXPENDITURES:

Blandin Foundation Loan Payment	19,871
Miscellaneous Projects	115

Airport South Industrial Parks	26,732
Comm. Building Improvement Loan Program	405,640
DEED Development Programs	240,800
Manufacturing Hanger Expenses	22,319
Rebound/Sawmill Redevelopment	7,284
ASV Parts Distribution Center	131,020

**TOTAL EXPENDITURES** \$853,781

**2017 REVENUES > EXPENDITURES** (\$67,220)

**FUND BALANCE 12/31/18 (1)** \$646,200

Please Note:

(1) The Fund Balance includes designations for the Comm Bldg Imprv Loans of \$83,317



## 2019 Work Plan – Overview of Process

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The GREDA recently completed the development of their 2019 Work Plan. The work plan development process first involved a review of the unfinished business from the 2018 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 2019. 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.



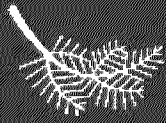
# Grand Rapids Economic Development Authority 2019 Work Plan

* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
<b>Support the stability and growth of existing businesses</b>	Lead	<ul style="list-style-type: none"> <li>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.</li> </ul>	<ul style="list-style-type: none"> <li>Participate in site visits (BRE programs) 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.</li> <li>Follow up on action items/leads.</li> </ul>		
<b>Lead the update of the Comprehensive Plan Economic Development Element</b>	Lead	<ul style="list-style-type: none"> <li>Work with the planning consultants and staff to develop the economic development goals and strategies for the City.</li> </ul>			
<b>Collaborate with local and regional EDOs.</b>	Partner	<ul style="list-style-type: none"> <li>Provide input into IEDC strategic planning.</li> <li>Work with IEDC on Federal EDA funding activities connected to Blandin layoffs.</li> </ul>	<ul style="list-style-type: none"> <li>Invite input from IEDC in the City's Comprehensive Plan Update.</li> <li>Maintain a positive and productive working relationship with IRRR and DEED.</li> </ul>		

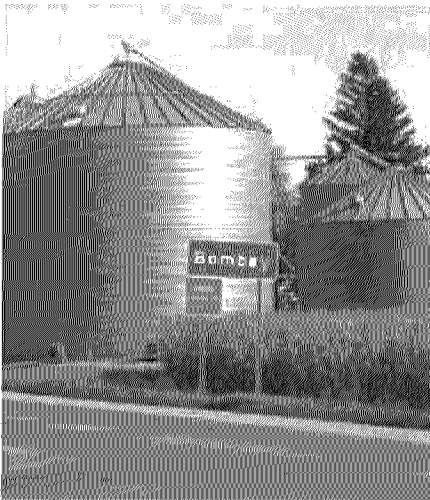
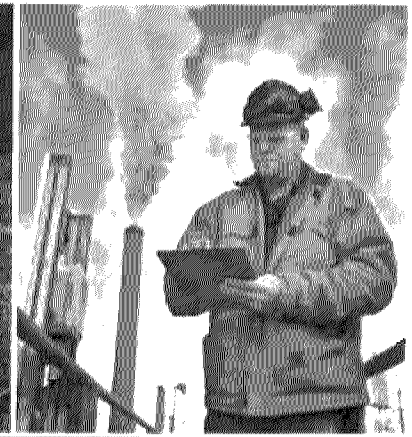
* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Enhance marketing of GREDA services and Grand Rapids area.	Lead	▪	▪ Develop an updated economic development marketing plan that considers: enhancements to the GREDA website, use of the community message board, print advertising and other appropriate means of communication.	▪ Implement revised marketing plan.	▪
Support the growth of retail business	Partner	▪ Review the findings of private retail market analyses to look for action items to make Grand Rapids a more attractive retail market.	▪ Consider public financing and other forms of assistance to support the redevelopment of key commercial redevelopment sites.	▪ Consider a partnership with VGR and others to assess market demand for additional lodging and event space.	▪ 
Review of development regulations	Lead	▪	▪ Benchmark Grand Rapids development against other communities in our region.	▪ Discuss an overview of development regulations to gain understanding and consider any appropriate input or recommendations.	▪
Collaborate or lead on housing development	Partner	▪ Consider support of an updated housing market analysis.	▪ Assume the marketing sale and development of housing sites established through the subdivision of City property on the Golf Course Rd.	▪	▪
Promote growth and vitality of the downtown	Lead	▪ Continue implementation of the Small Cities Development Program and CBIL program.	▪ Consider listing Block 20/21 and Block 5 sites with a broker. ▪ Consider the development of a strategic plan for Central School.	▪ Speak with Central Square Mall owners to determine if GREDA can assist.	▪

* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Focus on industrial manufacturing and emerging markets	Partner	▪	▪ Work with local, regional and state EDO's to attract a next generation forest product manufacturing or other innovative manufacturing use to the former Ainsworth site.	▪ Continue to work with One Aviation/ACC Manufacturing in a restart of operations in Grand Rapids.	▪
Promote growth in healthcare industries	Partner	▪	▪ Support interest in the expansion of senior assisted living/convalescent care facilities.	▪	▪





Blandin Foundation™  
STRENGTHENING RURAL MINNESOTA



Grants Over \$50,000

Application Due:

March 15    June 15    September 15    December 15

## Grants Over \$50,000

If you haven't already, please visit our [website](#) to check your project's fit with our eligibility guidelines and areas of focus. Please email all grant applications to [grants@blandinfoundation.org](mailto:grants@blandinfoundation.org). Supporting information may be mailed separately or scanned and sent as attachments. **If you do not receive acknowledgment of your application in 2-3 business days, please call us at 218-326-0523.**

### Organization Information

Grand Rapids Economic Development Authority

<i>Name of organization</i>	<i>Name on articles of incorporation, if different</i>		
420 North Pokegama Avenue, Grand Rapids, MN 55744	41-6005201		
<i>Address</i>	<i>City, State, Zip</i>	<i>Employer Identification Number (EIN)</i>	
218.326.7601	218.326.7621	www.grandrapidseda.com	
<i>Phone</i>	<i>Fax</i>	<i>Website</i>	
Rob Mattei	Executive Director	218.326.7622	rmattei@ci.grand-rapids.mn.us

<i>Name of Executive Director, CEO, Board Chair, or Lead Organizer</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
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(Same)

<i>Name of contact person regarding this application</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
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Is your organization an IRS 501(c)(3) nonprofit?  Yes  No

If no, is your organization a public agency, tribal government entity, or unit of government?

Yes  No

If no, list name and address of fiscal agent, including EIN number:

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*EIN Number*

If working through a fiscal agent, please attach an email or letter confirming they have agreed to be fiscal agent for your organization.



## Proposal Summary

Duration of project: June 2019 to June 2029

Please give a 2-3 sentence summary of your proposal:

*The Grand Rapids Economic Development Authority (GREDA) is interested in renewing a successful investment partnership with the Blandin Foundation to expand the positive community impacts achieved through the GREDA Commercial Building Improvement Loan (CBIL) program, a revolving loan fund administered by GREDA. The CBIL program exists to stimulate private investment in the appearance and function of commercial buildings. Through a second Program Related Investment from the Blandin Foundation, GREDA is intent upon further reversing blighted conditions in Grand Rapids' commercial districts, enhancing commercial tax base and leveraging private investment through the continued capitalization and availability of the CBIL program.*

Please give a 1-2 sentence summary of the geographic area your proposal will serve:

*The GREDA CBIL program is available to all commercially zoned properties in the City of Grand Rapids. The businesses in this area serve a retail trade-area population of 49,000 residents in Itasca, Aitkin and Cass and St. Louis counties.*

Please give a 1-2 sentence summary of how your board and staff are representative of the population you serve.

*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 seven member GREDA Board of Commissioners includes: two City Council members, a business financial officer, an accountant/business owner, a business owner, an economic development loan officer and a retired economic development professional. All GREDA members are appointed by the City Council and must demonstrate an interest and concern about present and future development of the economy, an ability to keep an open and objective mind, and have linkages with neighborhood, citizen groups and the business community.*

*The Director of Community Development who serves as the GREDA Executive Director, their Bond and Economic Development Counsel, Martha Ingram (Kennedy and Graven) and the City Finance Director provide staff support to GREDA.*

## Budget Summary

Fiscal Year of Organization or Project: 2019 to 2029

Total project budget:	\$562,300
Total dollar amount requested of Blandin Foundation:	\$500,000
Total annual budget (organization, division, or <u>program</u> ):	\$110,000



## Signature

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Name of CEO/Executive Director or Board Chair

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Signature (scanned/electronic signature acceptable)

## Proposal Narrative

### Note About Writing

Please follow the outline below as you prepare your proposal narrative. Take the space needed to tell your story, but try to be concise in your answers. We care about our personal relationship with you more than a written relationship and recognize that many organizations don't have professional grant writers on staff. Don't worry. A brief, thoughtful application with good rationales and easily understandable data will be reviewed similarly to a long, elaborate application. However, you help yourself and us by writing succinctly. If you have questions, don't hesitate to call or email.

### I. Organizational Profile (3-4 Pages, Less Is Fine For Requests Under \$50,000)

- A. Provide a brief summary of organization history, mission or purpose, programming/activities, and recent accomplishments.
- B. Tell us about your staff and board.
  - a. How many staff and board members does your organization have?
  - b. If the makeup of your staff and board is not representative of the community you serve, please explain why and how you plan to address this.
- C. In addition to your own, what other organizations/providers serve the people and issues you care about?
- D. How do you partner/collaborate with others to continually strengthen your own work and serve people and communities better?

### **Organizational Profile**

*The mission of GREDA is to promote growth in our local economy through efforts focused on business recruitment and attraction, and business retention and expansion within the corporate limits of the City of Grand Rapids. A summary of the types of activities in which GREDA engages is as follows:*

- 1) *Administration of the GREDA Commercial Building Improvement Loan Program.*
- 2) *Act as a redevelopment agency in the promotion, encouragement and development of sound industry and commerce through governmental action to prevent the emergence of, or to correct, conditions of blight or marginal land. Acting as a redevelopment agency, some of the GREDA's abilities include:*
  - a) *Acquire, construct, and hold lands, buildings, easements, improvements to lands and buildings to be located on designated sites.*
  - b) *Issue revenue bonds to finance some or all costs of acquisition, construction, and reconstruction.*



- 3) *Involvement in the development and implementation of local business retention and expansion (BRE) programs.*
- 4) *The development of industrial parks in the City of Grand Rapids, including activities such as:*
  - a) *Site selection*
  - b) *Land acquisition through purchase or lease, with powers of eminent domain if necessary, and with the powers to issue general obligation bonds with City Council authorization.*
  - c) *Enter into contracts for the development of: subdivision plats, extensions of infrastructure, building construction.*
  - d) *Business recruitment followed by sale or lease of real or personal property*
- 5) *Study and analyze the economic development needs in the City and propose actions to meet those needs.*
- 6) *May participate with public or private corporations or other entities whose purpose is to provide seed or venture capital to small businesses located or to be located in an economic development district within the City.*

*GREDA and its predecessor organization, the Grand Rapids Industrial Park Commission, have taken a lead role for the City of Grand Rapids in the creation of four industrial park areas in Grand Rapids, beginning in 1969. Industries and facilities already located in these industrial parks include: ASV Inc., Arrowhead Promotion, Olympac, Minnesota Diversified Industries, Viking Electric, Schroeder Log Home Supply, and the US Forest Service Fire Training Center. Within the industrial parks, developed on the north side of Lily Lake between 1992 and 2002, six industries are now operating, providing over 650 jobs to residents of the Grand Rapids area. In April of 2007, GREDA entered into a public/private partnership with Round Development and the City of Grand Rapids to create the Airport South Industrial Park. This forty acre industrial park is located in southeast Grand Rapids adjacent to the south side of 29<sup>th</sup> St. SE, and the west side of 7<sup>th</sup> Ave. SE (Airport Rd.). Since the development of this park, GREDA has attracted the location of Swan Machine, Country Hearth Bread distribution and Frito Lay distribution. In 2010, Itasca Economic Development Corporation (IEDC) requested GREDA's purchase of a 25 acres portion of the former Ainsworth OSB plant to improve IEDC's cash position following their acquisition of the site. GREDA achieved shovel-ready certification for the site and within three years had sold it to two businesses, DC Manufacturing and Hammerlund Construction, and delivered IRRR grants to both projects.*

*GREDA has also been active in promoting re-development of underutilized, publicly owned, property along the Mississippi riverfront, following the recommendations within the Riverfront Framework Plan. This effort led to the development of the Glorvigen Office building at the corner of 1<sup>st</sup> Ave. E. and 2<sup>nd</sup> St. North. Adjacent to the Grand Rapids Area Library, the GREDA also successfully negotiated the sale of GREDA riverfront property, leading to the development of the KAXE public radio broadcast center and outdoor performance amphitheater. The Block 20/21 site, north of the Library, and the Block 5 site, east of 3<sup>rd</sup> Ave, are additional sites currently being marketed for development.*

*The objective of revitalizing the Downtown Central Business District has been a consistent area of focus for GREDA. The Downtown Redevelopment Master Plan establishes a collection of fundamental objectives for directing redevelopment in the Downtown, and specifically identifies key redevelopment opportunity sites in the Downtown with strategies for the use of public and private investment. The Plan also provides guidance for improvements to the public realm (streetscape) and public parking areas to create a renewed Downtown.*

*In addition to the improvements the public realm in the Downtown, GREDA has been engaging private interest in the larger task of securing the redevelopment of deteriorated, underutilized, properties within the opportunity sites identified in the Plan. A past success was the Block 37 Redevelopment Project. Block 37 is the block bordered on the north by Highway 2, on the east by Highway 169 and on the west by First Ave. W. GREDA assembled/purchased vacant properties for conveyance to Rennix Corporation, the developer. With GREDA's recommendation, the City of Grand Rapids created a Tax Increment Financing Redevelopment District to support the acquisition and private renovation of two substandard commercial buildings (now the Crossings Marketplace and the Crossings buildings), the demolition of one substandard commercial building, and the new construction of a commercial building which is now Members Cooperative Credit Union.*

*A current key redevelopment supported by GREDA is the Block 19 Redevelopment, aka the Rapids Brewing project. GREDA and the City sold a building (abandoned Township Hall) to the development, secured an IRRR grant used to fund the demolition of two buildings and provided a Small Cities Development Program deferred/forgivable loan as well as a low interest CBIL loan for the renovation of the former Rialto Theater building.*

*The Rapids Brewing project is one of many examples of how GREDA has promoted the redevelopment of commercial property through improvements to their CBIL program. The principal objective of this revolving loan program is to stimulate and encourage retail/commercial business owners and tenants to enhance the appearance and function of their buildings and building sites. The program was originally funded with IRRR and City funds, and has been in existence since 1991. The program was underutilized until 2006 when GREDA restructured the program guidelines. To better reflect the typical cost of significant improvements, the maximum loan amount was increased from \$10,000 to \$40,000. In order to lower the initial payments during the initial, critical years of business operation, the terms were changed from a rate of 3% over 4 years to a rate of 4% amortized over a 20-year period with a balloon payment in the fifth year. Both a promissory note and a mortgage secure all loans. GREDA is willing to assume a subordinate position to commercial bank financing. These program changes were well received, as evidenced by the history of loan activity summarized in Exhibit A.*

*In addition to the CBIL revolving loan program, GREDA and the City have secured three Small Cities Development Program (SCDP) grants through the Minnesota Department of Employment and Economic Development (DEED). These comprehensive grants, awarded in 2009, 2014 and 2016, provided a total of \$665,000 in funds toward the rehabilitation of 23 commercial buildings. These projects, many of which also received a CBIL program loan, are also listed in Exhibit A.*

*Some of the items on the GREDA 2019 Work Plan include:*

- *Support the stability and growth of existing businesses*
- *Lead the update of the Comprehensive Plan Economic Development Element*
- *Collaborate with local and regional EDOs.*
- *Support the growth of retail business*
- *Collaborate or lead on housing development*
- *Promote growth and vitality of the downtown*
- *Focus on industrial manufacturing and emerging markets*
- *Promote growth in healthcare industries*

*GREDA staff has developed effective partnerships with state, regional and local economic development organizations such as MN IRRR, DEED, and IEDC. A recent example of a collaborative effort involved IEDC and GREDA staff discussing the potential to attract the relocation of ASV Holdings' parts distribution division from a third party logistics vendor in Mississippi to Grand Rapids. GREDA and IEDC staff pulled in IRRR and DEED representatives to discuss the project with ASV officials. IEDC staff facilitated communication between owners of a local vacant industrial building and ASV to discuss a lease for the parts distribution operation. GREDA applied for and received funds from the DEED Minnesota Investment Fund program, and used those to provide a \$125,000 equipment loan to ASV with forgivable and low interest terms. IRRR provided a \$300,000 business loan with forgivable terms, with specific employment targets. The project located in Grand Rapids and an employment target of 15 full time positions has been exceeded.*

## II. Purpose Of Grant (5-7 Pages, Less Is Fine For Requests Under \$50,000)

### A. Background

#### 1. Describe the opportunity your proposal addresses.

- Help us understand the context, reach and scale of the work you are undertaking.
- You are welcome to attach a one-page diagram or chart to illustrate your proposed work (this is optional).

#### 2. What organizations and individuals are involved in planning and implementing your proposed project/work?

- What steps are you taking to include community members who will be most impacted by your work?

### B. Implementation

#### 1. What are the specific goals of your project? Please be concise, a short list is optimal.

#### 2. What are the intended outcomes of the project? In other words, what will be different when your project/program is successful?

#### 3. What strategies and/or activities will be employed to achieve these outcomes? Please reflect on how your proposed work is a good fit with Blandin's [priorities](#).

#### 4. Tell us about your project leadership.

- Is the organization equipped to handle what you are proposing; will you have to hire new staff?
- Please share any other organizational implications related to carrying out this work (ex: new partnerships, signed agreements, physical relocation).

#### 5. No project is without obstacles. Realistically, what are some of the challenges your proposed work/project will face?

#### 6. What are your short term or long-term strategies for sustaining this effort?

### **Purpose of Grant**

*Reinvestment in commercial property is critical to reversing the negative consequences of unabated blight. If not addressed, blight has a compounding negative effect on neighboring property values and can lead to increased building vacancy, increased crime and a decreased tax base. When new investment occurs, it extends the life of a community's commercial building stock, and has the positive effect of stabilizing and increasing property values thereby creating a more inviting/conducive environment for commerce.*

*This is particularly relevant in areas of the City where the inventory of commercial buildings is much older, such as, in Grand Rapids, the Downtown (Central Business District) and the Highway 2/Highway 169 East Commercial Corridors. Our experience with clients/business owners in these areas has taught us that many of them operate on a small margin, which limits their capacity to address significant deferred building maintenance items. The net operating income of these businesses precludes them from building reserves to fund these maintenance items and limits their ability to obtain and service debt from commercial institutions without assistance.*

*As is shown in Exhibit A, GREDA has had success in inducing reinvestment through increased availability and use of their revolving loan fund, the Commercial Building Improvement Loan (CBIL) program. The objective of the CBIL program is to fill the financing gap between project costs and private debt financing and private equity by making direct, below market interest loans to building owners and leaseholders in the commercial districts of the City of Grand Rapids. Program funds can be used for fixed asset financing, such as; building renovation and remodeling, landscaping and parking lot improvements and new signage. CBIL program loans may finance up to 75% of the project cost or \$40,000, whichever is less. The current interest rate for CBIL program loans is 4%. The maximum term of the loans is 5 years, amortized over a 20-year period to reduce the annual debt service during the critical first years.*

*Additionally, GREDA has supplemented their CBIL program lending by successfully obtaining three Small Cities Development Program (SCDP) commercial rehabilitation grants awarded by the Minnesota Department of Employment and Economic Development (DEED) in 2009, 2014 and 2016. These grants have allowed GREDA to provide additional loans for commercial rehabilitation projects that either address blighted conditions (façade improvements), provide for enhanced energy efficiency or address handicapped accessibility. The deferred SCDP loans of up to \$34,500 (2009 grant) or \$32,000 (2014 & 2016 grants) are forgiven, 10% annually over their 10 year term, provided the building is not sold or transferred. In order to be competitive in our application for these grants, GREDA has offered their CBIL loans in combination with the SCDP loans, at the enhanced terms of 1% interest over a 10-year term.*

*In 2007, GREDA was awarded a Blandin Foundation Program Related Investment of \$175,000 to recapitalize the CBIL program. The PRI was not utilized until amendments were made in 2014 that expanded its availability to all commercial areas, simplified the loan agreements and made it available as matching financing for SCDP projects at 1% interest. Following those changes, GREDA completed loans for six projects, utilizing the full amount of the PRI by the end of 2016. GREDA collects the monthly principal and interest payments submitted by these four businesses and forwards those amounts to the Blandin Foundation annually as payment on our taxable revenue notes issued to the Foundation. These projects are identified in Exhibit A.*

*As mentioned previously, GREDA has seen increased use of their CBIL program. Since restructuring the program in 2006, GREDA had provided \$668,541 of CBIL loans, utilizing their own funds and an additional \$175,000 of CBIL loan through funds provided by the previous PRI. In combination with the SCDP grant deferred loans, GREDA has provided \$1,508,725 in commercial rehabilitation loans for 38 projects. Over the past five years, GREDA has averaged approximately \$110,000 of CBIL loans annually.*

*With a limited revenue stream, of an annual levy of \$50,000, GREDA's ability to sustain this level of loan activity through their Capital Projects Fund is very limited, with some of those funds intended to fund other economic development activities previously described.*

*GREDA's request is for a Program Related Investment of \$500,000 that would allow GREDA to continue the progress of the CBIL Program. This would allow for the present pace of commercial rehabilitation project support for approximately the next five years. GREDA requests that a new PRI provide for loan origination over the initial five years of the PRI and repayment of the obligation over the remaining five years. GREDA proposes that the maximum loan amount of \$40,000, the loan term of 5 years and other guidelines/criteria would remain unchanged with one exception. GREDA requests that they be able to provide these loans at a rate of 2% interest amortized over a 20-year period, rather than the current 4% rate. This adjustment in the terms will make the program more attractive and help to ensure its successful use leveraging and stimulating new investment in our commercial areas.*

*GREDA will continue to market the CBIL program on its website [www.grandrapidseda.com](http://www.grandrapidseda.com) and through print material distribution and discussions at banking institutions, civic organizations, and local and regional economic development organizations. Marketing materials will communicate the program's availability to all races, genders and ethnicities.*

### III. Assessment (1-2 Pages)

A. Explain how you will measure/document the progress that is being made toward the goals and outcomes you have identified above.

#### **Assessment**

*The evaluation of the success of this loan program would be measured by the answers to the following questions at the completion of the five-year program:*

*Has the continued availability of loans through the GREDA Commercial Building Improvement Loan Program led to, or helped facilitate increased investment in commercial properties that might not otherwise occur due to capital market gaps, which, in turn, provides the following benefits to the community:*

- *Improved business and employment climate in Grand Rapids?*
- *Increased property values and tax base?*
- *Decreased levels of blight and visible deterioration?*
- *The creation of an environment that is more inviting to tourists and residents?*
- *Better utilization of existing private and public infrastructure, which, in turn, reduces the need for extension of new public infrastructure brought on by development sprawl in the fringe areas of the City?*
- *Enhanced survival of local "mom and pop" small business?*

IV. Budget (1 Page, In Addition To Attaching Your Budget(s))

A. Describe the amount and type of resources that will be needed to see this project through, and steps you are taking to mobilize the necessary resources.

1. Additional funders. List names of corporations, foundations or individuals from whom you seek funds. Include amounts and whether sources are committed or pending.

B. Submit a copy of your organization budget.

**CITY OF GRAND RAPIDS  
ECONOMIC DEVELOPMENT AUTHORITY  
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE THREE MONTHS ENDING MARCH 31, 2019  
With Comparative Totals for the Period Ending March 31, 2018**

	2018 ACTUAL TO 3/31/18	YTD ACTUAL TO 3/31/19	2019 ANNUAL BUDGET	
<b>Fund Balance 1/1/XX:</b>	\$ 28,558	\$ 27,609	\$ 27,609	
<b>REVENUES:</b>				
Taxes	-	-	-	0%
Supplemental Aid	-	-	-	0%
Interest - Investments	-	-	400	0%
Interest - Loans	-	-	-	0%
Mortgage Payment	-	-	-	0%
Fund Balance Usage	-	-	15,400	0%
<b>TOTAL REVENUES</b>	<b>-</b>	<b>-</b>	<b>15,800</b>	<b>0%</b>
<b>EXPENDITURES:</b>				
Supplies/Materials	-	-	50	0%
Other Services/Charges	949	18	15,750	0%
<b>TOTAL EXPENDITURES</b>	<b>949</b>	<b>18</b>	<b>15,800</b>	<b>0%</b>
<b>REVENUES &gt; EXPENDITURES</b>	<b>(949)</b>	<b>(18)</b>	<b>-</b>	
<b>FUND BALANCE</b>				
Fund Balance Usage	(949)	(18)	(15,400)	
<b>FUND BALANCE 3/31/XX</b>	<b>\$ 27,609</b>	<b>\$ 27,591</b>	<b>\$12,209</b>	



C. Submit a copy of your project budget (if a form is helpful, [click here](#)).

1. Please include in the project budget all sources of income as well as major expense categories. Remember to include non-cash or in-kind donations.
2. Feel free to attach a narrative explaining your numbers, if necessary.

**Project Budget**

<u>Source</u>	<u>INCOME</u>	<u>Amount</u>
<i>Grand Rapids Community Development Budget</i>		\$8,300
<i>Government grants (GREDA Capital Project Fund)</i>		\$54,000
<i>Foundations (Blandin Foundation Loan)</i>		\$500,000
<i>Corporations</i>		\$
<i>United Way or other federated campaigns</i>		\$
<i>Individual contributions</i>		\$
<i>Fundraising events and products</i>		\$
<i>Membership income</i>		\$
<i>In-kind support</i>		\$
<i>Investment income</i>		\$
<i>Revenue</i>		
<i>Government contracts</i>		\$
<i>Earned income</i>		\$
<i>Other (specify)</i>		\$
		\$
<b>Total income</b>		<b>\$562,300</b>

<u>Item</u>	<u>EXPENSES</u>	<u>Amount</u>	<u>%FT/PT</u>
<i>Salaries and wages (breakdown by individual position and indicate full- or part-time.)</i>		\$	
<i>Community Development Administrative Asst.</i>		\$1700	
<i>Community Development Specialist</i>		\$2400	
<i>Director of Community Development</i>		\$4200	
<b>SUBTOTAL</b>		<b>\$8300</b>	
<i>Insurance, benefits and other related taxes</i>		\$	
<i>Consultants and professional fees (legal and closing)</i>		\$4000	
<i>Travel</i>		\$	
<i>Equipment</i>		\$	
<i>Supplies</i>		\$	
<i>Printing and copying</i>		\$	
<i>Telephone and fax</i>		\$	





<i>Postage and delivery</i>	\$
<i>Rent and utilities</i>	\$
<i>In-kind expenses</i>	\$
<i>Depreciation</i>	\$
<i>Other (loans)</i>	\$550,000
	\$
<b>Total Expense</b>	<b>\$562,300</b>
<b>Difference (Income less Expense)</b>	<b>\$0</b>

#### V. Attachments

A. Most recent financial statements (audited, if available), including balance sheet, statement of activities (or statement of income and expenses) and functional expenses.

*The Blandin Foundation has a copy of the most recently published Comprehensive Financial Statement for the City of Grand Rapids. The finances of the Grand Rapids Economic Development Authority are detailed within that document. An additional copy will be made available if needed.*

B. List of board members and their affiliations (or paste a link to your website here, if the information is current).

[www.grandrapidseda.com](http://www.grandrapidseda.com)

#### Proposal Checklist

A complete grant application consists of the following:

- Completed, signed proposal summary form (the first two pages of this application)
- Proposal narrative
- Organization budget
- Project budget (n/a if you have been invited to submit a proposal for operations funding)
- Audited financial statements, if available
- List of board members (or link to website)

Please submit your application to [grants@blandinfoundation.org](mailto:grants@blandinfoundation.org)



## GREDA Loan History 2006-2018

	Loan Recipient	Project Description	Loan Amount CBIL (GREDA Funds)	Loan Amount CBIL (Blandin PRI Funds)	Loan Amount SCDP (DEED Funds)	Loan Date	Status
1	Marinucci/Nuch's on the Corner 620 NE 4th St.	Exterior Remodel/Furnace	\$39,146.25			4/13/06	Mortgage Satisfied
2	Sholom Blake, CPA 16 NE 3rd St.	Interior/Exterior Remodel	\$23,000.00			7/1/06	Mortgage Satisfied
3	Iaizzo/KOZY-KMFFY Radio 507 SE 11th St.	Exterior Remodel	\$19,500.00			7/1/06	Mortgage Satisfied
4	Ostroote-Foster/Brewed Awakenings 24 E. 4th St.	Interior/Exterior Remodel	\$40,000.00			8/1/06	Mortgage Satisfied
5	Block 37 LLC/Crossings Building 42 W. 4th St.	Exterior Remodel/New Roof	\$43,844.98			8/1/14	Mortgage Satisfied
6	Kellin/Office 816 Pokegama Ave. S.	Exterior Remodel/Sign	\$30,000.00			10/25/07	Mortgage Satisfied
7	Roberts/Body in Balance 218 Pokegama Ave. N.	Furnace/Sign	\$3,047.99			2/1/08	Mortgage Satisfied
8	Nyberg/Nyberg Office Bldg. 20 NE 4th St.	HVAC, exterior remodel, windows			\$33,180.18	7/8/10	Deferred
9	Ostroote-Foster/Brewed Awakenings 24 E. 4th St.	Roofing and Window	\$25,597.50			7/23/10	Mortgage Satisfied
10	Beck/JB Home Counselors 412 NE 4th St.	Brick wainscoting, rear awning furnace, windows			\$9,734.00	7/27/10	Deferred
11	Piskel/Wayne's Automotive 200 N. Pokegama Ave.	Exterior renovation, accessible bathroom			\$34,500.00	7/27/10	Deferred
12	Holmstrom/Gramd Rapids Marine 1022 NW 4th St.	New roof, display window, insulation			\$34,401.00	11/30/10	Deferred
13	Glen's Army Navy Store 701 NW 4th St.	Exterior Remodel			\$25,252.32	9/15/11	Deferred
14	Perendy/Body in Balance 218 Pokegama Ave. N.	Exterior Remodel	\$18,582.75			2/10/12	Mortgage Satisfied
15	Harmon/H&M Automotive 601 NE 4th St.	New entryway, windows, doors parking lot			\$34,500.00	2/15/13	Deferred
16	RL Enterprises/Leased Retail	Interior Remodel	\$17,716.00			4/1/18	Current

## GREDA Loan History 2006-2018

	Loan Recipient	Project Description	Loan Amount CBIL (GREDA Funds)	Loan Amount CBIL (Blandin PRI Funds)	Loan Amount SCDP (DEED Funds)	Loan Date	Status
17	820 NE 4th St. Kellin/Kellin Financial Services 501 NW 1st Ave.	Replace rolled rubber roof	\$18,379.00			8/23/13	Mortgage Satisfied
18	Mondry//ABM Apartments 105 NE 5th St.	New windows and awning	\$32,698.67			11/19/13	Mortgage Satisfied
19	Wagner/Davis Petroleum 1301 NW 4th St.	New Siding/Soffits	\$14,527.90	\$20,472.10	\$32,000.00	4/24/15	Current/Deferred
20	Miskovich/Dutch Room 702 NW 4th St.	Exterior paint, doors brick wainscoting, bathroom		\$35,000.00	\$32,000.00	12/14/15	Current/Deferred
21	Itasca Co. Farm Service Assoc. 900 NW 4th St.	Front exterior renovation, mill area roof replacement		\$35,000.00	\$32,000.00	12/2/16	Current/Deferred
22	Anderson/Pasties Plus 1405 NW 4th St.	Siding, soffit, roof, windows & doors		\$14,792.40	\$22,188.60	10/26/15	Current/Deferred
23	First Call For Help 1007 NW 4th Street	Siding, windows, doors and furnace		\$35,000.00	\$32,000.00	11/14/16	Current/Deferred
24	Budrow/Mcalpine Building 4 NW 3rd St.	Windows and doors		\$34,735.50		12/14/15	Current
25	GRP LLC/Leased Commercial 951 NW 4th Street	Roof and windows and furnace	\$35,000.00		\$16,000.00	3/10/17	Current/Deferred
26	JBS Holdings/Leased Commercial 417 NW 8th Ave.	Roof, heating system, and interior remodel	\$35,000.00		\$24,000.00	4/14/17	Current/Deferred
27	Klockow/Klockow Brewing 36 SE 10th St.	Interior build-out and parking lot improvements	\$40,000.00			10/30/17	Current
28	Jacobson Trust/Reeds Building 417 NW 1st Avenue	New Roof, interior remodel	\$35,000.00		\$32,000.00	7/13/18	Current/Deferred
29	Pools Bay Properties/1000 Lakes Sport 331 NW 4th Street	Interior and exterior renovations	\$35,000.00		\$32,000.00	7/13/18	Current/Deferred
30	Huso/Rowe Funeral Home 510 NW 1st Avenue	Exterior renovations, roof	\$35,000.00		\$32,000.00	11/30/18	Current/Deferred
31	Margo/Leased Office 520 NW 1st Ave.	Roof repair, energy effc. Lights, hand. access,, façade			\$32,000.00	8/3/18	Deferred
32	Macrostie Art Center 404 NW 1st Ave.	Exterior repairs, roof, insulation			\$32,000.00	10/11/18	Deferred

**GREDA Loan History 2006-2018**

	<b>Loan Recipient</b>	<b>Project Description</b>	<b>Loan Amount CBIL (GREDA Funds)</b>	<b>Loan Amount CBIL (Blandin PRI Funds)</b>	<b>Loan Amount SCDP (DEED Funds)</b>	<b>Loan Date</b>	<b>Status</b>
33	Schrunk/Northland Off-Road 910 NE 4th Street	Exterior Repair: Windows, doors, insulation, roof/siding	\$35,000.00		\$32,000.00	(in process)	Pending Disbursement
34	Rapids Brewing Co. 214 N. Pokegama Avenue	Exterior Renovations: siding, windows & doors	\$35,000.00		\$32,000.00	(in process)	Pending Disbursement
35	Harding/Northbank Professional Bldg. 104 NE 3rd Street	Exterior Repair: painting and awning replacement	\$17,500.00		\$32,000.00	(in process)	Pending Disbursement
36	BAB Properties/Thrivent Office 32 NW 4th Street	Exterior Repairs & interior improvements	\$40,000.00			(in process)	Pending Disbursement
37	B. Bender/Hoppertons 407 NW 1st Ave.	Exterior renovation, roof, insulation, windows, doors.			\$31,228.00	(in process)	Pending Disbursement
38	C. Bender/Bender's Shoes 409 NW 1st Ave.	Exterior repair, block work, water damage repair, sign.			\$16,200.00	(in process)	Pending Disbursement
<b>Total Loans Approved (2006 - Current)</b>			<b>668,541.04</b>	<b>175,000.00</b>	<b>\$665,184.10</b>		<b>\$1,508,725.14</b>
<b>Total Active Loans</b>			<b>374,743.90</b>	<b>175,000.00</b>	<b>\$665,184.10</b>		<b>\$1,214,928.00</b>
<b>Average Annual CBIL Loan Amount - Past 5 Years</b>			<b>\$109,948.78</b>				

## **RESIDENTIAL LEASE**

### **I. IDENTIFICATION OF PARTIES, PREMISES AND LEASE TERM**

#### **A. Parties and Premises**

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY (“Landlord”) hereby leases the Property at 3002 Airport Road, Grand Rapids, as legally described on Exhibit A attached hereto, Itasca County, Minnesota (the “Premises”), under the terms and conditions stated herein, to ICS Consulting, a Minnesota Corporation (“Tenant”).

#### **B. Term**

This Lease will begin on May 1, 2019, and end on the earlier of October 1, 2020 or when terminated pursuant to the provisions of Section VIII.B. hereof, unless extended pursuant to Section VIII.A. hereof.

### **II. PAYMENTS DUE UNDER THE LEASE**

#### **A. Rent**

\$1,500 per month. Tenant is responsible for utilities, property taxes, insurance and maintenance (i.e. plowing, mowing, etc.)

#### **B. Security Deposit**

One month’s rent plus additional amounts called for through the Pet Addendum, if applicable.

#### **C. Condition of Dwelling**

By signing the Lease, Tenant acknowledges that the Premises are safe, clean and in good condition, and that all appliances and equipment in the Premises are in good working order. Landlord shall be responsible, at its sole expense, to keep all appliances (washer, dryer, refrigerator, stove, garbage disposal, dishwasher, etc., if any) and equipment (including without limitation the furnace, air conditioner, water heater and water softener, if any) in a state of good repair at all times during the term of this Lease. The Premises are provided unfurnished.

#### **D. Utilities**

Tenant is responsible for payment of all utilities and services that are furnished to the Premises as a result of Tenant’s occupancy of the Premises, including but not limited to the following: heat, gas, electricity, hot water, sewer, water, trash removal, recycling, telecommunications, and telephone. The accounts will remain with the Landlord and the Landlord will invoice the Tenant for reimbursement of those expenses on a monthly basis.

E. Good Working Order

Tenant is responsible to maintain in good safe working order and condition electrical, plumbing, sanitary, heating, ventilating and other facilities and appliances on the Premises. Tenant shall notify Landlord promptly if repairs are needed.

F. Maintenance and Service Charges

Tenant shall notify Landlord promptly of required repairs to structural elements of the Premises, and of unsafe conditions in the areas surrounding the Premises. Landlord shall be responsible for repair and maintenance of structural elements, such as the roof, walls, windows, and doors. Tenant agrees to pay reasonable charges for the repair of damage to the structural elements of the Premises and the areas surrounding the Premises caused by the Tenant, household members, guests or pets. Tenant also agrees to pay reasonable charges for repair of damages caused by the failure of the Tenant to report the need for repairs.

Notice of charges billed to Tenant for repairs or services under this section shall specify the items or damages involved, correctional action taken, and the charges shall be due and payable in full two (2) weeks after written notice is issued. Failure to pay for maintenance and service charges in a timely manner is a violation of this Lease and will be grounds for termination of the Lease pursuant to Section VIII.

G. Late Fees and Returned Check Fee

If Landlord does not receive payment by the fifth day of the month Tenant shall incur a \$20 late fee for each occurrence as additional rent. Tenant shall also pay \$20 for any check returned due to insufficient funds.

**III. OCCUPANCY OF THE DWELLING UNIT**

A. Proper Uses

Tenant shall not assign this Lease, nor sublet or transfer possession of the Premises, nor give accommodation to boarders or lodgers other than employees of Tenant. Tenant shall not use or permit the use of the dwelling unit for any purpose other than as a private dwelling unit solely for the Tenant's employees. All residents of the Premises must be approved and listed on the Lease or in a subsequent notice to Landlord. This provision does not exclude reasonable accommodation of Tenant's guests or visitors who may stay in the unit up to ten (10) days per guest per month, unless otherwise authorized by Landlord in writing.

B. Conduct on Premises

Tenant shall conduct itself and cause guests and other persons who are on the Premises with Tenant's consent to conduct themselves in a manner which will not disturb a neighbor's peaceful enjoyment of their accommodations and will be conducive to maintaining the Premises in a decent, safe, and sanitary manner and shall refrain from illegal or other activity which impairs

the physical or social environment of the Premises. Tenant shall not use or store on or near the Premises any flammable, toxic, hazardous or explosive substances.

Tenant shall refrain from, and cause employees and guests to refrain from destroying, defacing, damaging, or removing any part of the Premises.

C. Observations of Laws and Occupancy Rules

Tenant shall observe all requirements and obligations imposed by local, state or federal laws, applicable building and housing codes and by this Lease relating to the use of the Premises.

D. Pets

Tenant shall not be allowed to keep domesticated pets on the Premises except as may be permitted in accordance with any Pet Addendum that may be attached to this Agreement.

E. Smoking

Tenant shall not allow smoking on the premises.

**IV. OBLIGATIONS AND RESPONSIBILITIES OF LANDLORD**

A. Maintenance and Repairs; Abatement

Landlord shall be responsible for maintaining the structural elements of the buildings on the Premises, such as the roof, walls, windows, and doors in a safe condition in conformity with the requirements of building codes. Landlord shall make all necessary repairs, alterations, and improvements to the structural elements, such as the roof, walls, windows, and doors with reasonable promptness at its own cost and expense, unless the damages were caused by intentional conduct of Tenant or Tenant's guests.

B. Insurance.

Landlord shall maintain hazard insurance on the Property at all times.

C. No Responsibility for Tenant's Property

Landlord is not responsible for any damages and/or losses to Tenant's furniture or other personal belongings. Landlord's insurance will not cover the Tenant's personal property. Tenant understands and agrees that it shall be Tenant's responsibility to insure personal property on the Premises.

D. Taxes and Special Assessments.

It shall be Tenant's responsibility to reimburse Landlord for all real estate taxes attributable to the Premises as a result of this Lease. The parties are aware that private use of publicly owned

property, such as the Premises, in one calendar year may result in taxes payable in a following calendar year.

## **V. OBLIGATIONS AND RESPONSIBILITIES OF TENANT**

### **A. Care of the Premises**

Tenant shall keep the Premises in such condition as to prevent health, safety or sanitation problems from arising on the Premises and/or cause damage to the Premises.

### **B. Trash**

Tenant shall dispose of all ashes, garbage, rubbish and other waste from the Premises in a safe and sanitary manner.

### **C. No Disorderly Conduct or Harassment**

Tenant shall not permit any objectionable, threatening or disorderly conduct, offensive language, noise, or create a nuisance that will disturb or interfere with the Tenant's neighbors or Landlord personnel. Tenant shall also act in a cooperative manner with neighbors and Landlord personnel.

### **D. Alterations**

Tenant may not make alterations or changes to the interior (i.e. painting or wallpapering) or exterior of the Premises or to equipment on the Premises, or install additional equipment or appliances on the Premises.

### **E. No Lock Changes**

No additional or new locks shall be installed on any doors without prior written approval from Landlord.

### **F. Unlawful Activity**

Tenant, employees, guests or other person's under Tenant's control shall not:

a. engage in any criminal activity that threatens the health, safety, or right of peaceful enjoyment of other residents, neighbors or Landlord personnel; or

b. engage in any drug-related criminal activity on or off the Premises (The term "drug-related criminal activity" means the illegal manufacture, sale, distribution, use or possession with intent to manufacture, sell, distribute or use a controlled substance or drug paraphernalia.)



The occurrence of any activity identified herein shall constitute good cause for the termination of the tenancy and immediate eviction of the Tenant from the Premises.

**G. Tenant Cooperation**

Tenant shall respond and comply with all reasonable requests of Landlord relating to the implementation of this Lease, including but not limited to responding to requests for information, allowing entry into the Premises by Landlord, returning required leasing documents to Landlord and cooperating with Landlord's maintenance employees. Tenant shall not interfere with the operation of the rental property by Landlord or engage in any activity or allow any condition that would cause a cancellation, restriction or increase in premium in Landlord's insurance.

**VI. ENTRY OF PREMISES DURING TENANCY**

Tenant agrees that any authorized agent, employee, or representative of Landlord may, upon advance notice to Tenant, be permitted to enter the Premises during reasonable business hours for the purpose of conducting routine inspections and maintenance, or for making improvements and repairs. Landlord will provide Tenant with at least two days' written notice of its intention of entering the Premises; provided, however, that Landlord shall have the right to enter the Premises at any time without advance written notification to Tenant, if Landlord reasonably believes that an emergency exists that requires such entrance or if Tenant has requested a service call or otherwise consented to Landlord's entry without prior notice. In the event that Tenant and all employee-occupants of Tenant are absent from the Premises at the time of entry, Landlord's agent, employee, or representative shall leave in the dwelling unit a written statement specifying the date, time, and purpose of entry.

**VII. NOTICES**

Notice by Landlord: Any notice from Landlord shall be in writing and either personally delivered to the Tenant residing in the Premises, or sent to the Tenant by Certified Mail, return receipt requested, properly addressed, and postage prepaid and addressed to: ICS Consulting, Inc., 3890 Pheasant Ridge Drive NE #180, Blaine, MN 55449, Attn: Chief Executive Officer.

Notice by Tenant: Any notice to Landlord, as owner of the Premises and managing agent of the Premises authorized to accept service of process, must be in writing and either personally delivered to Landlord at its office, or sent to Landlord by first-class mail, postage prepaid and addressed to: Grand Rapids Economic Development Authority, 420 N. Pokegama Avenue, Grand Rapids MN 55744-2658, Attn: Executive Director.

**VIII. DURATION OF THE LEASE**

**A. Term of Lease.**

This Lease shall be effective for one calendar year from its effective date. At the option of both parties, this Lease shall be extendable for additional one-year periods. Tenant must request any

extension of this Lease in writing, no later than 60 days prior to termination of this Lease, by notice delivered to Landlord as provided in Section VII. hereof. At the option of both parties, this lease may be terminated with 60 days' notice.

#### **B. Landlord Termination.**

Landlord may terminate the Lease for any of the following:

- Violation of Section I.A. of this Lease.
- Violation of Section II.F. of this Lease.
- Violation of Section V.F. of this Lease.
- Upon abandonment of the Premises by Tenant. The Premises are deemed to have been abandoned if during a continuous six-month period, Tenant has not resided at the Premises.

Landlord shall provide 30 days' advance written notice to Tenant of any termination under this Section and shall specify the cause for termination in the notice.

If Landlord terminates the Lease but Tenant does not move out voluntarily, Landlord may bring an eviction action. Under Minnesota law, seizure from any Premises of any illegal object or substance, including drugs, constitutes unlawful possession of the Premises by the Tenant, and is grounds for an automatic eviction.

#### **C. Condition of Premises**

Tenant agrees to leave the Premises in a clean and good condition, reasonable wear and tear excepted, to furnish a forwarding address, and to return all keys to Landlord when Tenant vacates. If Tenant abandons or vacates the Premises with personal property remaining in the Premises, Landlord shall store and dispose of the property in compliance with Minnesota law at the Tenant's expense.

### **IX. MODIFICATIONS**

This Lease evidences the entire agreement between Landlord and Tenant. No change herein shall be made except in writing, signed, and dated by the parties.

### **X. SEVERABILITY CLAUSE**

If any provisions of this Lease or portion of such provision or the application thereof to any person or circumstance is held to be invalid or unenforceable, the remainder of the lease or the remainder of such provision and the application thereof to other persons or circumstances shall not be affected thereby.

### **XI. NON-WAIVER OF LEASE VIOLATIONS**

Landlord's failure to terminate the Lease upon the occurrence of any Lease violation shall not be considered a waiver of Landlord's right to terminate the Lease on the basis of any other violation of the Lease.

IN WITNESS WHEREOF, the parties have executed this Residential Lease this \_\_\_\_\_ day of \_\_\_\_\_, 2019, at \_\_\_\_\_, Minnesota.

GRAND RAPIDS ECONOMIC DEVELOPMENT  
AUTHORITY, as Landlord

By \_\_\_\_\_  
Its President

By \_\_\_\_\_  
Its Executive Director

ICS CONSULTING, INC., as Tenant

By \_\_\_\_\_  
Its \_\_\_\_\_

## **EXHIBIT A**

### **Premises**

Parcel 1 – 91-033-4402; 3002 Airport Rd, Grand Rapids, MN (Torrens)

The North two hundred eight feet (N. 208') of the East four hundred sixteen feet (E. 416') of the West six hundred fifty-seven feet (W. 657') of the Southeast Quarter of the Southeast Quarter (SE ¼ of SE1/4) of Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty –five (25) West of the Fourth Principal Meridian, situated in the County of Itasca, State of Minnesota, according to the United States Government Survey thereof; and

Parcel 2 – 91-033-4401; 3002 Airport Rd, Grand Rapids, MN (Torrens)

The North Half of the Southeast Quarter of the Southeast Quarter (N. ½ of SE ¼ of SE 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty –five (25) West of the Fourth Principal Meridian, LESS the following:

The North two hundred eight feet (N. 208') of the East four hundred sixteen feet (E. 416') of the West six hundred fifty-seven feet (W. 657') of the Southeast Quarter of the Southeast Quarter (SE ¼ of SE1/4) of Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty –five (25) West of the Fourth Principal Meridian

All in Itasca County, Minnesota.