

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Tuesday, August 28, 2018

4:00pm

Grand Rapids City Hall

NOTICE IS HEREBY GIVEN, that a special 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 Tuesday, August 28, 2018 at 4:00pm.

AGENDA

1. Call to Order
2. Call of Roll
3. Welcome new GREDA Commissioner Mike Korte
4. Approval of minutes from the July 12, 2018 regular meeting.
5. Consider approval of claims
6. Presentation of Proposed Sawmill Inn Site Redevelopment – Rebound Hospitality
7. Consider the approval of SCDP and GREDA CBIL loans for Northbank Professional Buildings
8. Updates:

9. Adjourn

GREDA Members/terms:

Dale Christy – 12/31/18 (with council term)

Rick Blake– 12/31/18 (with council term)

Mike Przytarski – 3/1/21

Cory Jackson – 3/1/23

Mike Korte – 3/1/24

Chris Lynch – 3/1/19

Sholom Blake – 3/1/19

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
THURSDAY, JULY 12, 2018
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, July 12, 2018 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, Cory Jackson, Chris Lynch, Dale Christy. Absent: Mike Korte, Mike Przytarski.

SETTING OF REGULAR AGENDA: Approved with deletion

- Delete item 4 welcome new GREDA Commissioner Mike Korte.
- Delete item 11 Update on the SCDP Projects.

APPROVAL OF MINUTES:

DRAFT

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER R. BLAKE TO APPROVE THE MINUTES OF THE MAY 24, 2018 REGULAR MEETING. The following voted in favor thereof: S. Blake, R. Blake, Christy, Jackson, Lynch. Opposed: None, passed unanimously.

APPROVAL OF CLAIMS:

MOTION BY COMMISSIONER LYNCH, SECOND BY COMMISSIONER CHRISTY TO APPROVE CLAIMS IN THE AMOUNT OF \$234,092.25.

ASV Holdings INC	\$125,000.00	Ernie J Jacobson Family Trust	\$35,000.00
Itasca County H.R.A	\$37,225.00	Itasca County Recorder	\$46.00
Kennedy & Graven	\$680.00	MN DEED	\$1,000.00
Minnesota Energy Resources	\$19.79	Pooles Bay Properties, LLC	\$35,000.00
P.U.C	\$100.66	Visa	\$20.00

The following voted in favor thereof: S. Blake, Jackson, R. Blake, Christy, Lynch. Opposed: None, passed unanimously.

Consider approval of an Independent Contractor Agreement with Ashley Brubaker for on-site management of Central School.

Dating back to the Central School Commission, the janitorial and building management services have been provided for under one contract with Filthy Clean that was automatically extended. The City Building Maintenance division has decided to terminate that contract and re-bid the cleaning services portion.

At that same time Ashley Brubaker, owner of True North Salon and tenant in Central School, expressed an interest in providing on-site management services including marketing of the building spaces and events. With the support of the other tenants, Ms. Brubaker submitted a proposal, which was reviewed by Commissioners Przytarski and Jackson together with staff. The terms of the draft agreement have been negotiated between the parties to the satisfaction of the Commissioners, staff and Ms. Brubaker.

The responsibilities of Ms. Brubaker, as the contractor, include:

- Marketing Central School to customers and new tenants
- Attend networking events, as a representative of Old Central School
- Receive new tenant inquiries; refer all potential tenants to GREDA
- Be available for emergency calls to assist with facility manager as needed
- Act as liaison between tenants and the facility manager
- Facilitate monthly tenant meetings
- Maintain communication with tenants
- Serve a point of contact for tenants or community members to organize, plan and participate in events in the building
- Oversee events occurring in the building
- Coordinate daily room rental
- Manage distribution and collection of tenant keys
- Provide a written or oral account of activities and achievements to GREDA on a bi-annual basis.

The fee for providing this service is 8% of the rent collected from other Central School tenants. At current occupancy, that fee equates to roughly \$309 monthly. At full occupancy with current full rates, the monthly compensation would increase to approximately \$640.

MOTION BY COMMISSIONER LYNCH, SECOND BY COMMISSIONER R. BLAKE TO APPROVE AN INDEPENDENT CONTRACTOR AGREEMENT WITH ASHLEY BURBAKER FOR ON-SITE MANAGEMENT OF CENTRAL SCHOOL. The following voted in favor thereof: Lynch, Christy, S. Blake, Jackson, R. Blake. Opposed: None, passed unanimously.

Discuss the status of the former Sawmill Inn redevelopment.

The developer has submitted a business assistance application for the site. Mr. Mattei provided renderings of what the site may look like with a proposed 82 room hotel, restaurant and potential retail and office space. The City will move forward with the Commercial TIF Plan Approval Steps.

Overview of TIF and Tax Abatement, City Economic Development Policies.

Community Development Director Mattei provided a power point outlining the TIF and Tax Abatement. TIF is used for two basic purposes, to induce or cause a development or redevelopment that would otherwise not occur and to finance public infrastructure that is related to the development. The total tax capacity(post development) less the original tax capacity(pre development) equals the captured tax capacity then the captured tax capacity multiplied by the local tax rate equals the tax increment. TIF and Tax Abatement can be used for similar purposes however differ in important respects such as TIF can be used for longer durations(up to 25 years in some cases), TIF requires approval only by the municipality to capture all local property taxes,

while Abatement requires each entity's approval to capture its taxes and TIF use is subject to more legal restrictions than abatement.

Review and consider a recommendations for 2019 GREDA Operations Budget and levy for Capital Projects Fund.

The Finance Department is requesting GREDA's recommended Operating Budget for 2019 Mr. Mattei provided a worksheet with the line item expenditures for 2014-2017 as well as to date for 2018 with suggestions for the 2019 proposed budget.

For the 2018 budget, GREDA received a levy of \$60,000. In order to maintain a positive balance in the Operations Budget, which is not replenished by a significant, dedicated, revenue source, GREDA, in the 2018 budget, requested that a \$15,000 amount of the City levy be deposited in the Operations Budget. A similar request of \$60,000 from the City levy is staff's recommendation, however, a similar apportionment of the levy to fund the Operations Budget would not be necessary in 2019.

MOTION BY COMMISSIONER LYNCH, SECOND BY COMMISSIONER JACKSON TO ADOPT THE 2019 OPERATING BUDGET AND A LEVY REQUEST OF \$60,000. The following voted in favor thereof: Lynch, Christy, S. Blake, R. Blake, Jackson. Opposed: None, passed unanimously.

Updates:

Rapids Brewing has secured financing and staff is working on an extension for their IRRRB grant.

There being no further business the meeting adjourned at 4:53 p.m.

Respectfully submitted:

Aurimy Groom, Recorder

EDA BILL LIST - AUGUST 28, 2018

DATE: 08/22/2018
 TIME: 11:12:34
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 08/28/2018

VENDOR #	NAME	AMOUNT DUE

ECONOMIC DEVELOPMENT AUTHORITY		
0718010	CITY OF GRAND RAPIDS	1,760.00
2018225	TREASURE BAY PRINTING	17.00
TOTAL		1,777.00
EDA - CAPITAL PROJECTS		
AIRPORT SOUTH INDUSTRIAL PARKS		
0212129	BLANDIN FOUNDATION	17,500.00
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		17,500.00
REBOUND/SAWMILL REDEVLPMNT		
1105530	KENNEDY & GRAVEN	272.00
1200800	LHB INC	5,700.00
TOTAL REBOUND/SAWMILL REDEVLPMNT		5,972.00
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$ 25,249.00
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920051	ITASCA COUNTY H.R.A.	51,060.00
0920055	ITASCA COUNTY RECORDER	115.00
0920060	ITASCA COUNTY TREASURER	161.00
1309170	MN DEED	1,000.00
1309199	MINNESOTA ENERGY RESOURCES	39.01
1621130	P.U.C.	186.35
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$ 52,561.36
TOTAL ALL DEPARTMENTS		77,810.36

2017 Small Cities Development Program Commercial Rehabilitation Project Selection
December 14, 2017

Ranking	Applicant	Business	Project Address	Project Description	Total Project	Requested/Eligible SCDP Funds	Requested CBA Funds	Requested Funds: SCDP + CBA	Parcel Number	EMV	Matching Funds to be Financed with Date	Expiring Date	Scoring				
													Bob	Blck B.	Chris L.	Ava.	Standard Deviation
1	NorthRock Dev., LLC	Rapids Brewing	214 N. Pokagama Ave.	Exterior Renovations- siding, windows & doors (old Realy Bldg.)	\$70,700	\$32,000	\$36,000	\$67,000	91-410-1095	\$84,800	\$151,000		196	207	195	200	5.19
2	Ponds Bay Properties	1000 Lakes Sports	331 NW 4th Street	Interior/Exterior Renovations: flooring, windows, lighting, insulation	\$80,000	\$32,000	\$36,000	\$67,000	91-420-1720	\$289,000	\$23,000	\$278,000	189	189	189	189	0.00
3	Schnuk	Northland Off-road Building	910 NE 4th Street	Exterior Repair: Energy Efficient Windows, doors, insulation, roof re-siding, & HVAC	\$68,000	\$32,000	\$35,000	\$67,000	91-425-1520	\$222,400	\$1,000		164	191	173	176	11.22
4	M.B. LLC (Brandt)	Globe Drug Building	304 N. Pokagama Avenue	Exterior Repair: Roof & Siding	\$150,000	\$32,000	\$35,000	\$67,000	91-410-0412	\$359,600	\$63,000	\$420,700	161	161	163	175	8.49
5	Hisco	Rowe Funeral Home	510 NW 5th Avenue	Exterior Renovations: entrance improvements, roof work, handicap access & window replacement	\$184,000	\$32,000	\$35,000	\$67,000	91-415-1559	\$475,800	\$117,111	\$1,032,046	181	161	168	175	8.49
6	Margo	Margo Office Building	520 NW 1st Avenue	Energy Efficiency Upgrades- lighting/HVAC, roof repair, ADA improvements, signage & parking lot repair	\$126,600	\$32,000		\$32,000	91-415-1570	\$195,900	\$94,600	\$305,740	161	163	163	159	5.48
7	Mariucci	Nuch's in the Corner	620 NE 4th Street	Exterior Renovations- roofing, new fuel pumps, concrete, removal of curb to sidewalk	\$90,000	\$25,000		\$32,000	91-416-4410	\$291,200	\$58,000	\$298,000	177	166	143	169	18.52
8	MacRostie Art Center	MacRostie Art Center	405 NW 1st Avenue	Exterior Repair: Roof & Insulation	\$115,122	\$32,000		\$32,000	91-415-3135	\$371,100	\$93,122		162	171	162	165	4.24
9	Jacobson Family Trust	Former Reed's Building	417 NW 1st Avenue	Exterior Repair: Roof	\$83,412	\$32,000	\$35,000	\$67,000	91-415-3115	\$201,000	\$16,412		154	173	154	160	8.96
10	Bender (Brian)	Hoggettville Building	407 NW 1st Avenue	Exterior Renovations, roof work, insulation, Sign, Windows	\$52,047	\$31,228		\$31,228	91-415-3130	\$121,600	\$20,819		164	155	146	155	7.35
Totals:					\$1,029,881	\$312,228	\$210,000	\$529,228			\$497,084						
11	Harding	Northbank Prof. Bldg.	104 NE 3rd Street	Exterior Repair: Painting and Awning Replacement	\$67,000	\$32,000	\$17,500	\$49,500	91-410-2010	\$1,485,200	\$17,500	\$1,861,507	147	165	136	150	11.22
12	Bender (Craig)	Bender's Shoes	409 NW 1st Avenue	Exterior Repair: block work, shingles, water damage, remove awning, new signage	\$27,000	\$16,200		\$16,200	91-415-3125	\$237,900	\$10,600		138	158	165	190	8.25
13	MRPO LLC (Dr. Davis)	Davis Chiropractic Building	204 NW 6th Street	Exterior Repair: roof work, insulation, door/accessibility, siding, windows	\$133,390	\$32,000	\$35,000	\$97,000	91-415-3205	\$204,900	\$86,360	\$220,000	146	147	155	146	4.03
14	Przyrinski	Old Mill Plaza Building	204 NW 1st Avenue	Exterior Repair: Energy Efficient Windows, door/accessibility, & HVAC	\$43,678	\$26,207	\$17,471	\$43,678	91-410-1885	\$331,100			146	147	128	140	8.73
15	Plafson	ServPro Building	717 NE 4th Street	Exterior Repair: Windows, doors, roof & parking lot paving	\$34,000	\$32,000		\$32,000	91-425-1210	\$346,400	\$2,000	\$270,000	122	122	113	119	4.24
16	Harding	Block 37 LLC	42 NW 4th Street	Exterior Renovations- back-painting & siding	\$24,000	\$12,000		\$12,000	91-415-3769	\$1,096,200	\$12,000	\$1,382,968	113	113	113	113	0.00

Initial Selection:

Reserve List (in order of priority):