

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

**Thursday, April 26, 2018
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 26, 2018 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 22, 2018 regular meeting.
5. Consider approval of claims
6. Consider approval of a lease with Yarnworks for Suite 201 of Central School
7. Consider approval of a \$1,000 grant request to the Blandin Foundation for the Grand Rapids Area Community Profile design and publishing project.
8. Consider approval of a Pre-development agreement with Rebound Hospitality LLC.
9. Consider approving a proposal from LHB Architects for the preparation of a TIF Redevelopment District analysis of the former Sawmill Inn site.
10. Updates:
 - a.
11. 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
vacant – 3/1/18
Chris Lynch – 3/1/19
Sholom Blake – 3/1/19

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
REGULAR MEETING
THURSDAY, MARCH 22, 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, March 22, 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, Chris Lynch, Dale Christy. Absent: Mike Przytarski, Cory Jackson.

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

APPROVAL OF MINUTES:

MOTION BY COMMISSIONER LYNCH, SECOND BY COMMISSIONER CHRISTY TO APPROVE THE MINUTES OF THE FEBRUARY 22, 2018 REGULAR MEETING. The following voted in favor thereof: S. Blake, R. Blake, Lynch, Christy. Opposed: None, passed unanimously.

APPROVAL OF CLAIMS:

MOTION BY COMMISSIONER LYNCH, SECOND BY COMMISSIONER CHRISTY TO APPROVE CLAIMS IN THE AMOUNT OF \$8,697.09.

League of MN Cities Ins Trust	\$4,708.00	Kennedy & Graven	\$779.00
Minnesota Energy Resources	\$241.02	Northern Star Cooperative Service	\$318.80
P.U.C	\$254.02	SEH-RCM	\$2,396.25

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

Consider approval of loan extension and authorize the execution of security agreement and promissory note with RL Enterprises, LLC.

On May 10, 2012 GREDA approved a Commercial Building Improvement Loan to Rayno L. Lillo for improvements to a building located at 820 NE 4th St.

That CBIL loan was in a principal amount of \$21,750.00. Following the program guidelines, the loan was at a 4% interest rate, amortized over a twenty year term with a five year balloon payment of \$17,991.96 due on January 1, 2018.

Mr. Lillo, who has had a flawless payment history on his CBIL loan, does want to satisfy his obligation with GREDA. He was not able to finance the repayment of his balloon payment and has asked GREDA to consider extending his loan.

Regarding term extensions, the CBIL Guidelines allow for term extensions under extraordinary circumstances that prohibit replacement financing from a commercial lender. GREDA reserves

the right under the Guidelines to set the term of the extension at 3 years and the interest rate at 6% above the 36 month Treasury Note rate, which is approximately 2% at this time. Under those terms, the monthly payment, which has been \$131.58, would increase to \$579.92.

To make the monthly payment more manageable and increase the success of the extension and full loan repayment, we have negotiated new terms with Mr. Lillo. The attached promissory with RL Enterprises LLC, a construction company owned by Mr. Lillo, carries a principal amount of \$17,716.00 with interest set at the same 4% rate over a 7 year term. The first monthly payment of \$241.35 will be due on April 1, 2018.

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER R. BLAKE TO APPROVE THE LOAN EXTENSION AND AUTHORIZE THE EXECUTION OF A SECURITY AGREEMENT AND PROMISSORY NOTE WITH RL ENTERPRISES, LLC. The following voted in favor thereof: Christy, R. Blake, Lynch, S. Blake. Opposed: None, passed unanimously.

Updates:

Sawmill Inn site-Rebound Development will be moving forward with the redevelopment of the former Sawmill Inn site. They will apply for TIF funds and the property will be platted as a CIC.

There being no further business the meeting adjourned at 4:17 p.m.

Respectfully submitted:

Aurimy Groom, Recorder

DRAFT

EDA BILL LIST - APRIL 26, 2018

DATE: 04/18/2018
 TIME: 11:17:19
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 04/26/2018

VENDOR #	NAME	AMOUNT DUE

EDA - CAPITAL PROJECTS		
COM BLDG IMP LOAN		
0717997	GRAND ITASCA CLINIC & HOSPITAL	300,000.00
TOTAL COM BLDG IMP LOAN		300,000.00
MANUFACTURING HANGAR		
0920060	ITASCA COUNTY TREASURER	2,336.00
TOTAL MANUFACTURING HANGAR		2,336.00
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$ 302,336.00
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0201354	B. BAIRD-PETTY CASH FUND	12.00
1309199	MINNESOTA ENERGY RESOURCES	159.53
1621130	P.U.C.	111.91
2209665	VISA	172.81
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$ 456.25
TOTAL ALL DEPARTMENTS		302,792.25



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

REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #6	Meeting Date: 4/26/18
Statement of Issue:	Consider approval of a lease with Yarnworks for Suite 201 of Central School
Background:	<p>Yarnworks is a tenant located in Suite 202, which is the middle south room on the second floor. Yarnworks owner, Diane Lievsay, presented a proposal to staff in January describing her desire to expand her space to include the adjacent Suite 201. This proposed expansion is intentionally a short-term commitment to ensure that her sales can support the additional rent.</p> <p>Ms. Lievsay requested a reduced rent for this lease, which would begin on June 1 and terminate at the end of the year. Commissioners Przytarski and Jackson, together with staff, reviewed the proposal and negotiated a compromise in the reduced rate. Suite 201 is an 860 sf space that would normally rent for \$11.88/sf, or \$851.40/month. The negotiated rate for this trial period lease is \$500.00/month, which is in addition to the rent being paid for Suite 202.</p>
Recommendation:	
Required Action:	Approve a lease with Yarnworks for Suite 201 of Central School
Attachments:	Draft Lease

LEASE AGREEMENT

This Lease Agreement, by and between the City of Grand Rapids, Minnesota, through its agent the Grand Rapids Economic Development Authority, hereinafter referred to as "Lessor" and **Yarnworks, a Limited Liability Corporation** hereinafter referred to as "Lessee", entered into this 12th day of April, 2018.

ARTICLE 1 - LEASED PREMISES

1.1 In consideration of and subject to the mutual covenants, condition and obligations of this Lease Agreement to be kept and performed, the Lessor does hereby lease and demise to Lessee the premises identified in Exhibit "A" attached hereto, comprising approximately **860 square feet** together with the right to use in common with other lessees of the Central School their invitees, customer and employees, the elevators, stairways, halls, toilets and sanitary facilities, and all other general common facilities contained in the Central School, as well as the sidewalks, delivery areas, and appurtenances thereto, to be used by Lessee for the purposes generally described in Exhibit "B" attached hereto, in the Central School, Grand Rapids, Minnesota.

This Lease Agreement will also include one parking pass for the Lessee's use in the Central School lot at no additional cost to the Lessee. The Lessee will be provided one parking pass that must be displayed conspicuously by the Lessee. The Lessee will be able to park in any location within the parking lot of Central School. There will not be a designated parking spot. If the lot is full, the Lessee will utilize off street parking. This pass only applies to the Central School lot. If the pass is lost, stolen or needs to be replaced for any reason, there will be a \$25 plus tax replacement fee.

ARTICLE 2 - TERM

2.1 The Term of this Lease Agreement shall commence on **June 1, 2018** and shall continue through **December 31, 2018** unless earlier terminated in accordance with the provisions of this Lease Agreement.

ARTICLE 3 - RENT

3.1 Lessee shall pay to Lessor as rent for the leased premises the sums hereinafter provided in this Article 3.

The term "operating costs for the Central School Building" as used in this Article 3 shall exclude all costs related to the exterior grounds except signs promoting tenants but shall otherwise include all those direct costs of operation and maintenance to be incurred by Lessor, including by way of illustration but not limitation, (1) all utility charges (sewer, water, electricity, heat, garbage collection, elevator service) except telephone and other communications equipment; (2) maintenance, insurance, repairs, parts and supplies, equipment and tools, and electrical maps, tubes, starters and ballasts; (3) the annual costs for a custodian and/or manager; and (4) promotion costs; and (5) a capital reserve equal to 5% of the total projected operation costs, excluding the capital reserve. The term "operating costs for the Central School Building" shall not include the original capital investment or associated debt service.

The term "rented square footage in the Central School Building" as used in the Article 3 shall exclude common areas, exterior grounds and space not rented.

3.2 Calendar year **2018** base rent shall be in the amount of **\$6.98** per square foot annually, payable in equal monthly installments beginning on the **1ST** day of **June, 2018** and continuing on the first day of each month thereafter through **December 31, 2018**. Additionally, tenant is solely responsible for paying any, and all, property taxes associated with the rental space.

3.3 Lessee shall pay as additional rent a late charge in the amount of 1.5% of the monthly rental payment in the event that the monthly rental payment is received after the fifth day of the month due. This late charge shall be exclusive of any other remedy which Lessor may have for Lessee's failure to timely pay rent.

3.4 At the commencement of the term of this Lease Agreement, Lessee shall furnish to Lessor a surety bond, letter of credit or cash deposit in an amount equivalent to one month's rent, to assure compliance with the provisions of this Lease Agreement. If Lessee fails to comply with the provisions of this Lease Agreement, Lessor shall be entitled, without further notice to Lessee, to call upon said surety bond, letter of credit or cash deposit to satisfy Lessee's obligation hereunder. Lessor's right to call upon the surety bond, letter of credit or cash deposit shall be exclusive of any other remedy which Lessor may have for Lessee's failure to comply with the provisions of this Lease Agreement. The surety bond or letter of credit furnished by Lessee shall be maintained in effect for the term of this Lease Agreement and during any period of holding over. If Lessee furnishes a cash

deposit pursuant to this Paragraph, said cash deposit shall be held by Lessor for the term of this Lease Agreement unless earlier called upon by Lessor to satisfy Lessee's obligations hereunder. Said cash deposit shall be invested by Lessor and any interest earned shall be paid annually to Lessee.

3.5 Rental payments shall be made to the order of the City of Grand Rapids and mailed or delivered to: City Finance Director, 420 N. Pokegama Avenue, Grand Rapids, MN 55744.

3.6 Lessee shall timely pay when due any personal property or real property tax on the leasehold estate.

ARTICLE 4 - IMPROVEMENTS

4.1 In taking possession of the leased premises, Lessee acknowledges that same were on the date of occupancy in good, clean and tenable condition, subject only to the repairs or improvements which Lessor has agreed to make at Lessor's expense and which are set forth on Exhibit "C" attached hereto, if there are any.

4.2 Lessee agrees to make at its own expense all alterations and improvements to the leased premises except as otherwise indicated to be the obligation of Lessor under this Lease Agreement. All such improvements and alterations made by Lessee shall be undertaken only upon advance approval of Lessor, shall be made under the supervision, direction and control of Lessor's architect, shall be made in good and workmanlike manner according to the terms, conditions and requirements set by Lessor and its architect, and shall be in keeping with the historical character of the building. All alterations and improvements performed on the leased premises by Lessee shall be performed by competent contractors and subcontractors approved by Lessor, which approval shall not unreasonably be withheld. Lessee shall pay for all architectural, engineering and other services and all costs incurred by Lessor in connection with Lessee's improvement or alteration of the leased premises, including the work, if any, of Lessor's engineer, architect and other agents connected therewith. Prior to undertaking any alterations or improvements to the leased premises, Lessee shall obtain and deliver to Lessor a valid waiver and release of mechanic's liens by each party who will furnish labor, materials or services to the lease premises.

4.3 At the expiration or termination of the term of this Lease Agreement, all improvements and alterations made to the leased premises by Lessee shall remain with the leased premises and shall be the property of Lessor. Lessee shall, at its expense, remove Lessee's goods and effects, including trade fixtures, machinery, and equipment, and quit and deliver up the leased premises to Lessor, peaceably and quietly in as good order and condition as same were in on the original date of occupancy, reasonable wear and tear excepted. Any property left in the leased premises at the expiration or termination of this term of this lease shall be deemed to have been abandoned and shall become the property of Lessor to be disposed of as Lessor deems expedient, with all costs of cleanup and disposal of goods abandoned at the leased premises to be paid by Lessee. Lessee shall not permit any mechanic's or materialmen's liens to stand against the leased premises or against the Central School and Lessor may require appropriate assurances by way of bond, deposit or other reasonable procedure to protect against such liens and may, should such liens arise out of Lessee's acts hereunder, pay and discharge same and such amounts shall become due and payable to Lessor from Lessee with interest at the rate of eight percent (8%), or such greater amount as shall then be permitted by law, per annum.

ARTICLE 5 - MAINTENANCE, REPAIRS

5.1 Lessee shall at all times be responsible for maintaining at its own expense the leased premises in a clean, orderly and safety condition, except as hereinafter provided. Lessee shall be responsible, at its own expense, to clean and maintain all trade fixtures, machinery and equipment furnished by Lessee within the leased premises. Lessee shall be responsible to deposit normal office waste and rubbish at a location at the Central School as designated by Lessor.

5.2 Lessee shall be responsible to perform all repairs the need for which is caused by Lessee's use of the premises except that Lessor shall be responsible to perform major repairs of a structural nature. Lessor shall be responsible to arrange for removal of waste and rubbish from the location designated as the deposit location for lessees. All costs incurred by Lessor pursuant to the obligations of this Paragraph shall be included within "operating costs".

5.3 Lessor shall provide custodian services for the common areas of Central School. Costs incurred by Lessor in providing such custodian services shall be included within "operating costs".

ARTICLE 6 - UTILITIES

6.1 Lessor shall furnish such heat, water, sewer, electricity, elevator services, central air conditioning and garbage removal in and about the leased premises as shall be necessary, in Lessor's judgment, for comfortable occupancy of the leased premises, under normal business conditions. Lessor's obligation to provide electricity to the leased premises shall include only electricity for standard building lighting and office use. Any electricity supplied to the leased premises for extraordinary purposes, such as kitchen equipment, refrigeration equipment and air conditioning units, shall be paid by the Lessee upon Lessor's billing of same.

It is understood and agreed that Lessee shall be responsible to pay to Lessor, as additional rent, the cost of separately-metered-electricity supplied to the leased premises. Lessee shall also be responsible for the construction of insulation of a separate electrical meter when required.

6.2 Lessee shall conserve heat, water and electricity and shall not neglect or misuse water, fixtures, electrical lights, or other equipment or facilities furnished in conjunction with Lessor's provisions of utilities pursuant to this Article.

6.3 In the event energy use restrictions are established by Federal or State authorities or that an energy supply emergency is declared by Federal or State authorities, Lessor may reduce the quantity or quality of any utilities or other services to be provided under this Article as may be necessary to comply with directives and regulations promulgated by said authorities.

6.4 Lessor shall be responsible to provide light, heat and other utility services to the common areas of the Central School as, in Lessor's discretion, is appropriate. The cost of providing such heat, lighting and other utilities shall be included within "operating costs".

ARTICLE 7 - BUILDING USE, REGULATIONS, SECURITY

7.1 Lessee shall use the leased premises only for the purpose of purposes generally described in Exhibit "B". Lessee shall keep the leased premises in a clean, orderly and safe condition and shall not permit any hazardous or dangerous activity thereon or any activity which will increase insurance risks or premiums on the leased premises. Lessee shall at all times comply with all statutes, ordinances, codes, and regulations of any governmental authority concerning the use and

maintenance of the leased premises and the Central School. Lessee shall not overload the floors in the leased premises.

7.2 Lessee shall use the leased premises and the common areas of the Central School in accordance with such reasonable rules and regulations as may from time to time be promulgated by Lessor for the general safety, comfort and convenience of Lessor and Lessees of the Central School and their invitees and Lessee shall cause its clients, employees and invitees to abide by such rules and regulations. The Lessor will allow the Lessee to utilize up to 12 square feet of floor space in the common areas adjacent to the Lessee's business for display purposes only. Storage of equipment, recycling, or anything deemed not to be display items, is prohibited. The items placed in this space must not be affixed permanently to the floor or wall in any way. The usage of a table, shelf, or rack is acceptable. The Lessee will adhere to all fire and building access codes.

If the Lessee wishes to use more than 12 square feet of floor space, a written letter to the Lessor with the Lessee's intent is required. The Lessee cannot proceed with their plans until the Lessor has granted the request in writing.

The Lessee is required to supply the Lessor with documentation from the Lessee's insurance company that the Lessee's property is covered while in the common areas of Central School.

7.3 Lessee shall keep the leased premises open to the public during such days and hours of operation of the Central School as may from time to time be determined by Lessor.

7.4 Lessee shall be responsible for securing the leased premises by locking doors and windows providing direct access to the leased premises. Lessor covenants that other Lessees within the Central School will have similar responsibilities to those required of Lessee under this Paragraph.

7.5 Lessee shall pay to Lessor on demand for any damage done to the Central School or the leased premises, including broke glass, caused by Lessee, Lessee's agents or employees, or Lessee's invitees.

7.6 Lessee shall not conduct or permit to be conducted on the leased premises any business or permit any act which is contrary to or in violation of the laws, ordinances or regulations of any governmental unit, federal, state or local.

ARTICLE 8 - COMMON AREAS, EXTERNAL GROUNDS

8.1 Lessee's use of the common areas and external grounds of Central School shall be in compliance with rules and regulations which may be promulgated from time by Lessor.

8.2 Lessee shall place nothing in the common areas of the Central School, including displays, advertising, merchandise, or other items of any sort whatsoever, without the advance written approval of the Grand Rapids Economic Development Authority.

8.3 Lessee shall place no signs which will be visible outside the leased premises, including no signs which may be visible through a window and no signs which may be visible within the common areas of the Central School or from the external grounds of the Central School or beyond, without the advance written approval of Lessor. Lessor shall provide signs, of a number, style and quality as deemed appropriate in Lessor's exclusive judgment, to be placed on the external grounds of the Central School, which signs will identify the lessees within Central School. Cost incurred by Lessor in providing said signs shall be included within "operating costs". Signs within the interior common areas of Central School shall be approved in advance by Lessor and, if provided by Lessor, the expense thereof shall be included within "operating costs".

ARTICLE 9 - INSURANCE

9.1 Lessor shall maintain general liability, fire and extended coverage insurance on the Central School, including common areas and exterior grounds, and Lessor's fixtures and equipment and Lessor shall cause Lessee to be named as an additional insured. Lessee shall insure its own personal property on the premises as it sees fit. All personal property placed upon or in the leased premises or common areas or external grounds shall be at the risk of Lessee or the owner of the personal property and Lessor shall not be liable to Lessee or any other party for any damage or destruction of said personal property arising from any cause whatsoever. Lessee shall maintain at its own cost and expenses general liability insurance required herein. All insurance coverage is subject to

approval of the City of Grand Rapids and shall be maintained by Lessee at all times this Agreement is in effect. Lessee further agrees that to protect themselves as well as the City of Grand Rapids under the indemnity Contract set forth above, the Lessee shall at all times during the term of the Agreement have and keep in force insurance protection as specified by Minn. Stat. Cpt. 466.04, subd. 1 as may be modified from time to time by the State Legislature and Lessee shall name Lessor as an additional insured on said policy. Throughout the term of this Lease Agreement, Lessee shall provide Lessor with evidence that Lessee has obtained the insurance required by this Article and that Lessor is an additional insured under said policies of insurance. All costs incurred by Lessor in maintaining insurance coverage pursuant to this Article shall be included within "operating costs".

9.2 Notwithstanding anything in this Lease Agreement to the contrary, Lessor shall not be liable to Lessee and Lessee shall not be liable to Lessor for any damage to or destruction of the Central School Building by fire or other perils or for any claim or cause of action arising out of any death, injury or damage to property in, on or about the leased premises or the common areas or exterior grounds of Central School. Lessor and Lessee shall furnish to each other appropriate written consents from their respective insurers to this waiver of liability provision.

ARTICLE 10 - LESSOR ACCESS

10.1 Lessor, its agents and employees shall have the right to enter the leased premises upon reasonable advance notice for the purpose of inspection, cleaning, repairing, altering or improving the premises, or to exhibit the premises to prospective tenants. Lessor's reserved rights hereunder shall include, without limitation, free, unhampered and unobstructed access to the airways, equipment ducts, stairways, access panels and all utilities and services to the Central School. There shall be no diminution of rent and no liability on the part of Lessor by reason of any inconvenience, annoyance or injury to business caused by Lessor's reasonable exercise of rights reserved by Lessor in this Article.

ARTICLE 11 - FIRE OR OTHER CASUALTY: CONDEMNATION

11.1 If during the term of this Lease the leased premises shall be damaged or destroyed by fire or other casualties so that the premises shall thereby be rendered unfit for use or occupation, Lessor shall have the option to either (a) repair such damage with all reasonable diligence and restore the premises to substantially the condition immediately prior to such event, and until such premises

have been duly repaired and restored the rent herein reserved, or a just and proportionate part thereof according to the nature and extent of the injury which has been sustained shall be abated, or (b) Lessor may terminate this lease and end the term hereof, and in case of such termination and cancellation the rent shall be paid to the date of such fire or other casualty and all other further obligations on the part of either party hereto shall cease. Lessor is required to notify Lessee of whether it will repair or terminate within thirty (30) days of the date of such damage or destruction. Provided, however, that in the event the premises are not so restored within one hundred eighty (180) days after the occurrence, Lessee may, at its option, terminate this lease.

11.2 Lessee shall be entitled in any full or partial taking by eminent domain to take that portion of the net award representing payment for Lessee's leasehold interest, trade fixtures, moving expenses or business interruption. All amounts paid pursuant to an agreement with a condemning authority in connection with any taking shall be deemed to constitute an award on account of such taking. Lessee agrees that this Lease shall control rights of Lessor and Lessee in any such award, and any contrary provision of any present or future law is hereby waived. If any taking shall result in Lessee being deprived of space in excess of 5 percent of the space then leased to Lessee, Lessee shall have the right on thirty (30) days advance written notice, to terminate the obligations hereunder effective as of such taking. If Lessee continues occupancy following a partial taking, rent will be adjusted on a pro-rata basis for the remainder of the lease term.

ARTICLE 12 - QUIET POSSESSION

12.1 Lessor hereby warrants and covenants that it has full authority to execute this Lease Agreement and further agrees that Lessee, upon paying rent and performing the covenants and conditions of this Lease Agreement, shall quietly have, hold and enjoy the leased premises during the term hereof.

ARTICLE 13 - NOTICE

13.1 Any notice, demand, request or other communication which may or shall be given or served by Lessor or Lessee pursuant to this Lease Agreement shall be deemed to have been given or served on the date the same is deposited in the United States mail, registered or certified, postage prepaid and addressed as follows:

To Lessee:

Yarnworks, LLC
10 NW 5th St., Suite 202
Grand Rapids, MN 55744
Attn: Diane Lievsay

To: Lessor

GREDA Executive Director
City Hall
420 N. Pokegama Avenue
Grand Rapids, MN 55744

ARTICLE 14 - ASSIGNMENT, SUBLETTING

14.1 Lessee agrees that neither the leased premises nor any part thereof shall be sublet nor shall this Lease Agreement be assigned by Lessee without prior written consent of Lessor, which consent shall not be unreasonably withheld. If Lessor does give consent, such consent shall not release Lessee from its obligation hereunder, unless a release is specifically given by Lessor.

ARTICLE 15 - NO PARTNERSHIP

15.1 Nothing contained in this Lease Agreement shall be deemed or construed to create a partnership or joint venture of or between Lessor and Lessee or to create any other relationship between the parties hereto other than that of Lessor and Lessee.

ARTICLE 16 - DEFAULT BY LESSEE

16.1 Lessor and Lessee agree that this Lease Agreement is made upon the condition that if the Lessee shall neglect or fail to keep, observe and perform any of the covenants and agreements contained in this Lease Agreement which are to be kept, observed or performed by Lessee, so as to be in default, or if the leasehold interest of Lessee shall be taken by execution or other legal process of law, or if Lessee shall petition to be or be declared to be bankrupt or insolvent according to law, or if Lessee shall vacate said premises or abandon the same for a period of 45 days during the term of this Lease Agreement, then and in any of said cases the Lessor may, at its option, immediately or at any time thereafter without further notice or demand, enter into and upon the leased premises, or any part thereof, in the name of the whole, and take absolute possession of the same without such reentry working a forfeiture of the rents to be paid and the covenants to be performed by Lessee for the full term of this Lease Agreement, and may, at Lessor's election, lease or sublet the leased premises, or

any part thereof, on such terms and conditions and for such rents and for such time as the Lessor may elect, and after crediting the rent actually collected by Lessor from such reletting, collect the balance of rent owed pursuant to this Lease Agreement from Lessee, charging Lessee such reasonable expenses as the Lessor may expand in putting the premises in tenable condition and collecting said rentals from Lessee, including reasonable attorney's fees.

Alternatively, Lessor may at its election and upon written notice to Lessee declare this Lease Agreement forfeited and void under the condition set forth above, and Lessor may re-enter and take full and absolute possession of said premises as the owner thereof, free from any right or claim of Lessee or any person or persons claiming through or under Lessee, and such election and re-entry shall be and constitute an absolute bar to any right to enter by Lessee. The commencement by Lessor of any action to recover possession of the leased premises or any part thereof shall not be deemed an election by Lessor to treat this Lease Agreement as void and terminated, without the written notice above specified.

In the event of termination or re-entry by Lessor for default by Lessee, Lessor shall make every reasonable effort to re-rent, lease or sublet the premises. Lessor, at its option, may make such alterations, repairs, replacements and/or decorations to the leased premises as Lessor, in its sole judgment, considers advisable and necessary for the purpose of reletting the premises; and the making of such alterations, repairs, replacements and/or decorations shall not operate to be construed to release Lessee for liability hereunder as aforesaid.

ARTICLE 17 - DEFAULT BY LESSOR, LESSEE

17.1 Lessor shall not be deemed to be in default under this Lease Agreement until Lessee shall have given Lessor written notice specifying the nature of the default and Lessor shall have not cured such default within ten (10) days after receipt of such notice, or within such reasonable time thereafter as may be necessary to cure such default where such default is of a character as to reasonably require more than ten (10) days to cure.

17.2 Except with respect to the payment of rent, for which no notice of default shall be necessary, Lessee shall not be deemed to be in default under this Lease Agreement until Lessor shall have given Lessee written notice specifying the nature of default and Lessee shall have not cured such default within ten (10) days after receipt of such notice or within such reasonable time thereafter as may be

necessary to cure such default where such default is of a character as to reasonably require more than ten (10) days to cure.

ARTICLE 18 - WAIVER, MODIFICATION, ENTIRE AGREEMENT

18.1 No waiver of any condition, covenant, right of option of this Lease Agreement by the Lessor shall be deemed to imply or constitute a further waiver of any like condition or covenant of said Lease Agreement.

18.2 No amendment or modification of this Lease Agreement shall be valid or binding unless expressed in writing and executed by duly authorized representatives of the parties hereto in the same manner as the execution of this Lease Agreement. The Grand Rapids Economic Development Authority shall consider the recommendation of all interested parties in determining whether to approve any amendment or modification of this Lease Agreement.

18.3 Neither Lessor nor any agent or employee of Lessor has made any representations or promises with respect to the leased premises or the Central School except as herein expressly set forth, and no rights, privileges, easements or licenses are acquired by Lessee except as herein expressly set forth.

ARTICLE 19 - WINDOW TREATMENT

19.1 Lessee, at its expense, may install shades, drapes or window coverings and, if installed, Lessee shall maintain said window coverings in an attractive and safe condition, provided however, in the sole judgment of Lessor said window coverings are in harmony with the exterior and interior appearance of Central School and will create no safety or fire hazard.

ARTICLE 20 - PARKING

20.1 Lessor has established public parking facilities on the grounds of Central School. Lessee warrants that it will enforce regulations providing that its employees will not park their private vehicles in said public parking area during time when said employees are working at the leased premises (except on a short-term basis for emergencies or for deliveries).

DISCRIMINATION PROHIBITED: The Landlord shall not discriminate based upon race, color, creed, religion, national origin, sex, marital status, age, handicap, or disability, familial status or recipients of public assistance; and shall comply with all nondiscrimination requirements of Federal, State and local law.

IN WITNESS WHEREOF, the parties have hereunto set their hands on the date first written above.

LESSOR:

GREDA President

GREDA Executive Director

Date: _____

LESSEE:

BY: _____

Its _____

BY: _____

Its _____

Date: _____

Exhibit A – Location in the Building

Yarn Works is located on the Second Floor in the south middle room (Suite 201) consisting of 860 square feet.

Exhibit B – Use of Space

Yarnworks is a craft and knitting supply business.

Exhibit C – Improvements

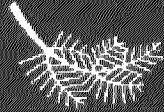
None



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

REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #7	Meeting Date: 4/26/18
Statement of Issue:	Consider approval of a \$1,000 grant request to the Blandin Foundation for the Grand Rapids Area Community Profile design and publishing project.
Background:	<p>Staff has been participating in a project led by IEDC and APEX and also involving input from the City of Cohasset, Visit GR and Northland Connection in the development of a new community profile for the Grand Rapids area.</p> <p>A community profile is a compilation of demographic, economic, and quality of life information. When working with companies that are looking at our community as a potential location, a community profile is useful in providing a baseline of information and a positive first impression. I typically provide this type of information through the attached esri report, together with other documents or reports that highlight other relevant aspects of the economy.</p> <p>For the past several months, the working group has looked at content to highlight and an improved design format for the community profile, based upon the attached Alexandria example.</p> <p>The total budget for the design and publishing of the community profile is \$3,600. The Blandin Foundation has indicated that they would consider a grant request for \$1,000.00 towards the project if submitted by one of the local economic development authorities. The balance of the project funding would come from contributions from GREDA, the City of Cohasset, IEDC and possibly Itasca County. The exact split of that funding is still being developed, but will likely be approximately \$750 or less from each partner.</p>
Recommendation:	
Required Action:	Approve a \$1,000 grant request to the Blandin Foundation for the Grand Rapids Area Community Profile design and publishing project.
Attachments:	Grant Application Alexandria Community Profile Esri Grand Rapids Community Profile



Blandin Foundation™

STRENGTHENING RURAL MINNESOTA



Itasca County Area Community Donations

\$100 - \$1,000

Applications Accepted on an Ongoing Basis

Grants \$1,001 to \$10,000

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. 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

Name of organization

Name on articles of incorporation, if different

420 N. Pokegama Avenue

Grand Rapids, MN 55744

Address

City, State, Zip

Employer Identification Number (EIN)

218-326-7601

(218) 326-7621

www.grandrapidseda.com

Phone

Fax

Website

Rob Mattei Director of Community Development (218) 326-7622 rmattei@ci.grand-rapids.mn.us

*Name of Executive Director, CEO,
Board Chair, or Lead Organizer*

Title

Phone

E-mail

Rob Mattei Director of Community Development (218) 326-7622 rmattei@ci.grand-rapids.mn.us

*Name of contact person regarding
this application*

Title

Phone

E-mail

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:

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: 2018 to 2018

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

The Grand Rapids EDA has been working with a team from various organizations in our region to develop a Community Profile for Itasca County. The Itasca Economic Development Corporation has lead our team in this cause, creating a living document that will reference business and economic development data, as well as key attributes of our community that target our excellent quality of life. The team has worked together to define the scope and identify the data to share, with the intention of updating this material annually. We are requesting funding from the Blandin Foundation to support the data gathering, creative design, and printing of the Community Profile.

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

The Community Profile will provide insight on Itasca County as well as some of our neighboring communities. It is designed to provide a picture of the key aspects of our community, including but not limited to topics such as: workforce, industries, education, real estate, and our many natural attractions. It can be utilized by economic developers, real estate agents, recruiters and individuals considering a move to our area.

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

The GREDA Board is currently made up of local volunteers having the following backgrounds: private business owner/CPA, bank executive, property owner/manager, business financial officer, high school educator, and private business owner.

Budget Summary

Fiscal Year of Organization or Project: 2018 to 2018

Total project budget:	\$ 3,600
Total dollar amount requested of Blandin Foundation:	\$ 1,000
Total annual budget (organization, division, or program):	\$ 15,150

Signature

Sholom Blake

Name of CEO/Executive Director or Board Chair

Signature (scanned/electronic signature acceptable)



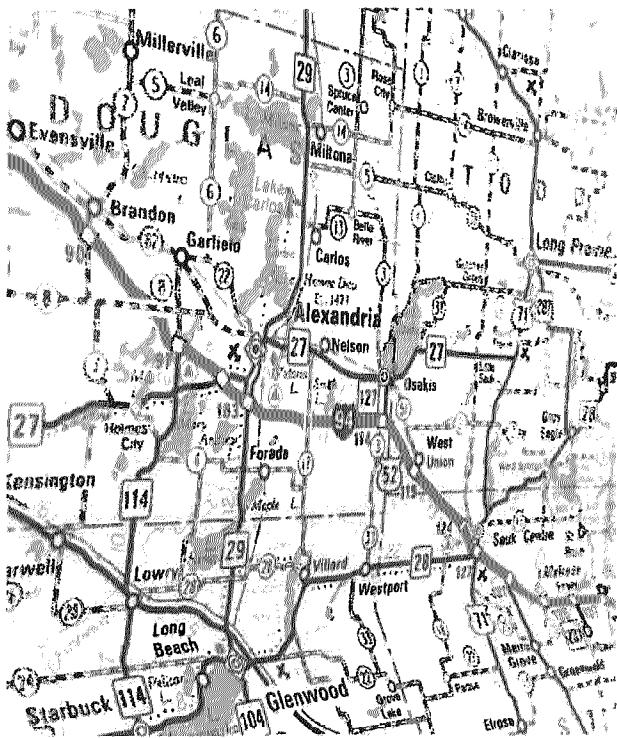
Alexandria Area Economic
Development Commission



LIVING
alexandria area

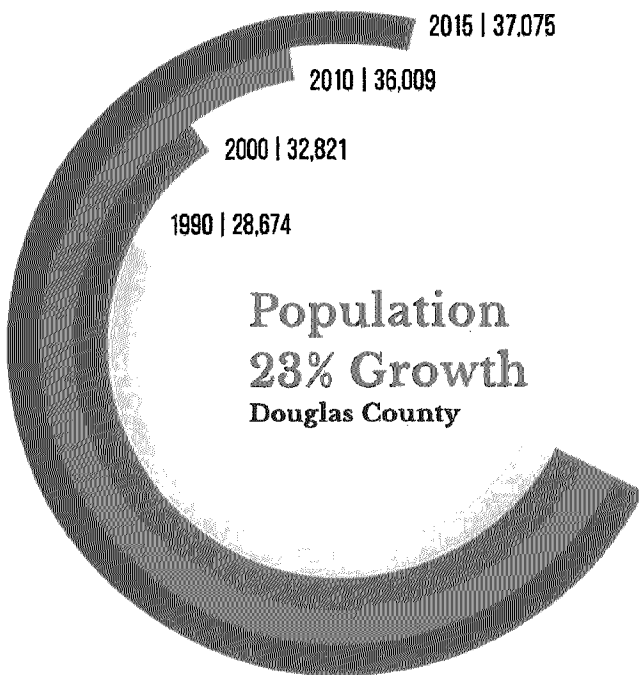
2016 COMMUNITY ECONOMIC DEVELOPMENT PROFILE

ALEXANDRIA AREA | MINNESOTA

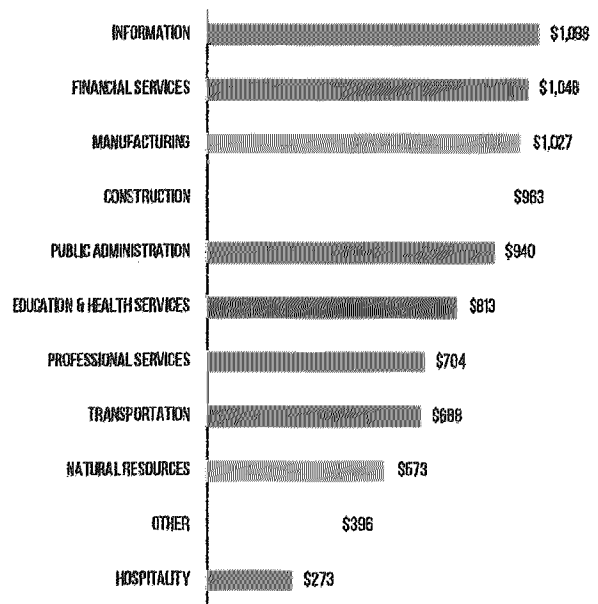


The strengths of the Alexandria area set the region apart as one of the leading micropolitan areas in Minnesota and the Upper Midwest. With a strong economic climate and diverse group of industry sectors, the area offers living conditions for a great array of families and individuals. Located on I-94 and 1.5 hours from Fargo/Moorhead and 2.5 hours from the Twin Cities, we have a great location with an easy transportation network.

Alexandria was awarded the 2015 “City of Excellence” award for its way of creatively involving citizens and city staff in decision making by The League of Minnesota Cities.



Industry Weekly Wages



COMMUNITY & LIVING

The Alexandria area is a close-knit community with strong family values where you can make supportive and friendly connections. Our economy provides opportunities for career growth while still having a relaxed small-town feel. We have outdoor recreation for all seasons to fit your active lifestyle and most big-city amenities without the big-city traffic and congestion...that's Living Alexandria Area!

Household Income

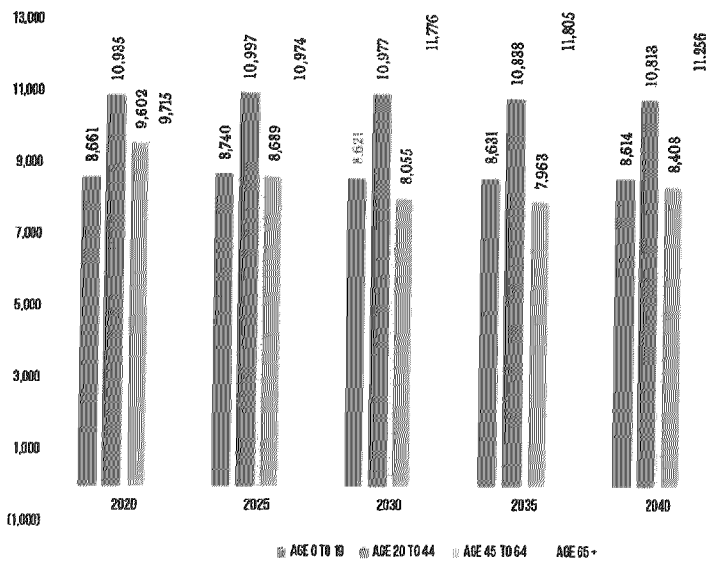
Douglas County *Median Household Income*

Douglas County *Average Household Income*

City of Alexandria *Median Household Income*



Population Projections



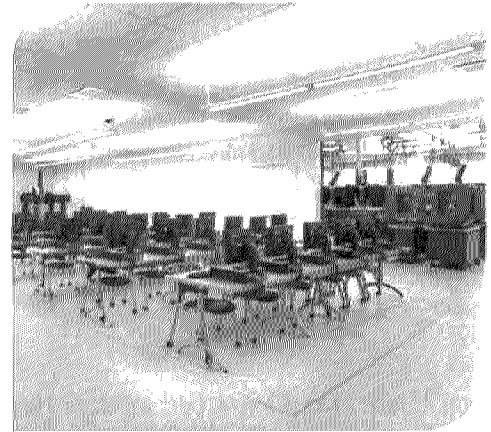
Current Age of Population



LEARNING & EDUCATION

K-12 Education

Douglas County is home to three public school districts and a number of private education options. Each school provides a strong educational framework for students as well as providing additional course and learning possibilities. Our area has a strong history of academic excellence and provides a wide variety of educational opportunities to serve our over 5,100 students. We strive to engage students early - allowing them to be more excited about school, discover their passion and aptitude at an earlier age and discover possibilities in careers. The Academy model the Alexandria Area High School (AAHS) has implemented prepares students for their future, whether they continue their education or step directly out into the workforce.



DISTRICTS	WEBSITE	STUDENT ENROLLMENT	STUDENT/TEACHER RATIO	GRADUATION RATE
ALEXANDRIA	www.alexandria.k12.mn.us	3,989	16 to 1	94%
BRANDON-EVANVILLE	www.b-e.k12.mn.us	458	14 to 1	100%
OSAKIS	www.osakis.k12.mn.us	817	16 to 1	94%

Higher Education & Technical Training

Alexandria Technical & Community College boasts the highest graduation rate of all Minnesota public two-year colleges and a job placement rate for graduates at about 98%. This reflects both the college's rigorous curriculum and its reputation as an educational leader. The college's connections to business and industry ensures currency and trade standards in its technical degrees, delivering a highly skilled workforce. ATCC is a member of the Minnesota State Colleges and Universities system and currently serves approximately 4,000 students annually.

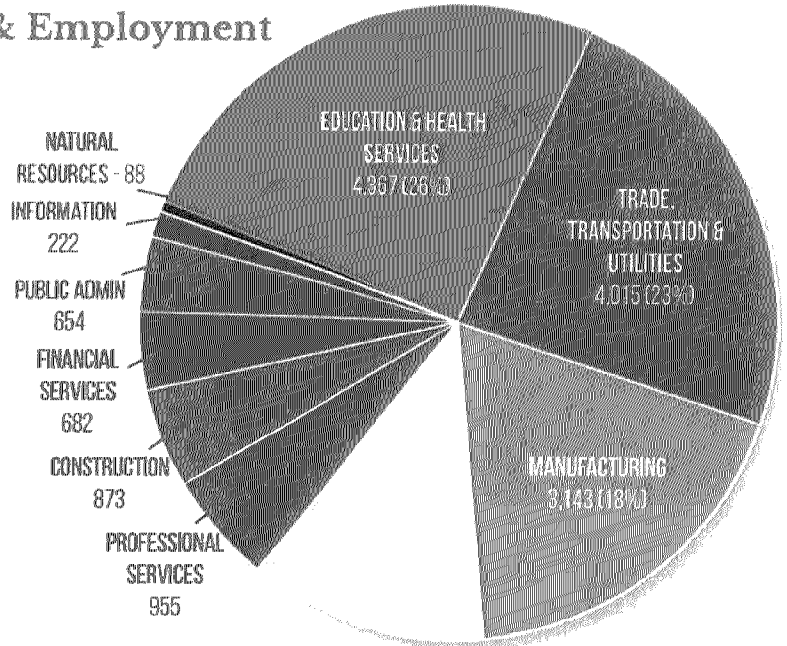
The Customized Training Center provides customer centered, industry driven workforce solutions through dedicated people who are focused on providing services that exceed customer expectations and provide exceptional value. | www.alextech.edu

- Automation & Manufacturing | CNC, Manufacturing Technologies, Quality, Robotics
- Business & Management | Diversity, Organizational Development, Marketing, Small Business Workshops
- Computer Technology | Microsoft Applications, Online eMarketing
- Healthcare | CPR & First Aid, Nursing Assistant, Nursing Continuing Education, Online Medical Terminology
- Public & Workplace Safety | Fire Fighter, Fire Extinguisher, Forklift, Law Enforcement Cont. Education, OSHA
- Specialized Training | Boiler Plant Operator, Child Development, Food Service, Handgun, Senior College
- Transportation | Motorcycle Safety, MN Commercial Vehicle Inspection Training, MN Truck Weight Ed.

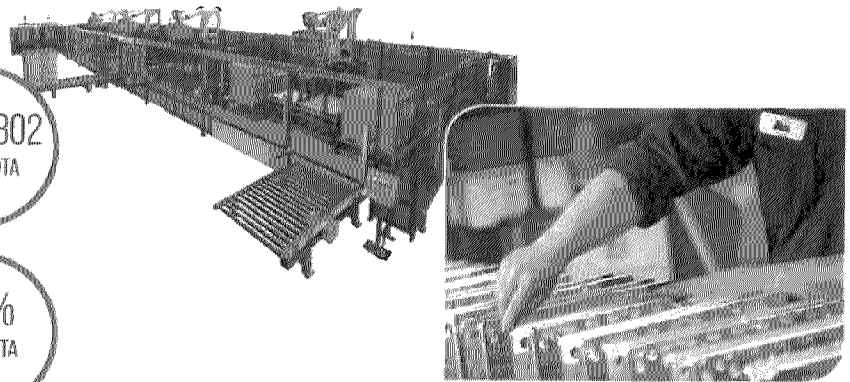
BEST PLACE FOR BUSINESS

The Alexandria area is a regional center sustaining a vibrant, growing economy that is attractive to entrepreneurs and small businesses. Cultivating and supporting an entrepreneurial spirit is what the Alexandria area is about. Many of the area businesses and companies were started right here. We know how to help hard working people with innovation and ideas. Our area is home to many diverse industries including Manufacturing, Healthcare, Service, Tourism, and Retail to name a few. Over 4,500 companies have found that our area offers a balance not only for their business but for their lives and families. So, with all the Alexandria area has to offer it's no wonder once you come here you don't want to leave.

Top Industries & Employment



Workforce & Unemployment Rates

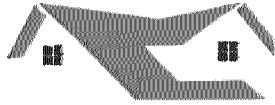


TOP 10 LARGE EMPLOYERS	INDUSTRY	NUMBER OF EMPLOYEES
Douglas County Hospital	Healthcare	900
Douglas Machine, Inc.	Manufacturing	650
Alexandria Industries	Manufacturing	588
Alexandria Public Schools	Education	584
Knute Nelson	Healthcare	531
3M - Alexandria	Manufacturing	370
Douglas County	Government	291
Central Specialties	Construction	285
Brenton Engineering	Manufacturing	280
Arrowwood & Conference Center	Hospitality	250

- ★ Average commute time for workers in Douglas County is 16.3 minutes - which is lower than the Minnesota average of 23 minutes.
- ★ Local business draws approximately 19,250 from throughout the region to work within Douglas County.
- ★ Douglas County residents make up 61.8% of the workforce.
- ★ The remaining 7,315 come from surrounding counties which makes Douglas County a Net Importer of labor - bringing in more than it sends out.

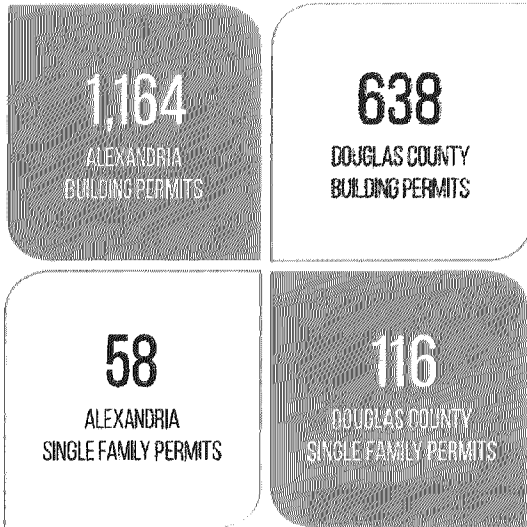
REAL ESTATE & BUILDING

Douglas County offers a range of residential, industrial and commercial property opportunities. The area has seen an overall increase in the number of properties sold in the area since 2011, with single family home sales increasing 34%. The County also has a very strong rental market with a current vacancy rate of 10.7%.



ALEXANDRIA HOUSEHOLDS

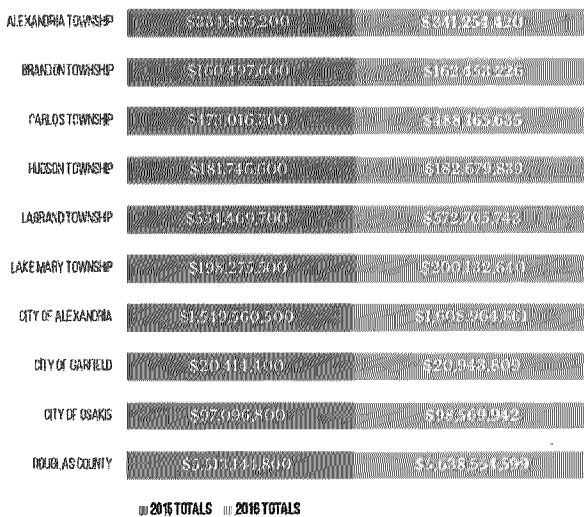
DOUGLAS COUNTY HOUSEHOLDS



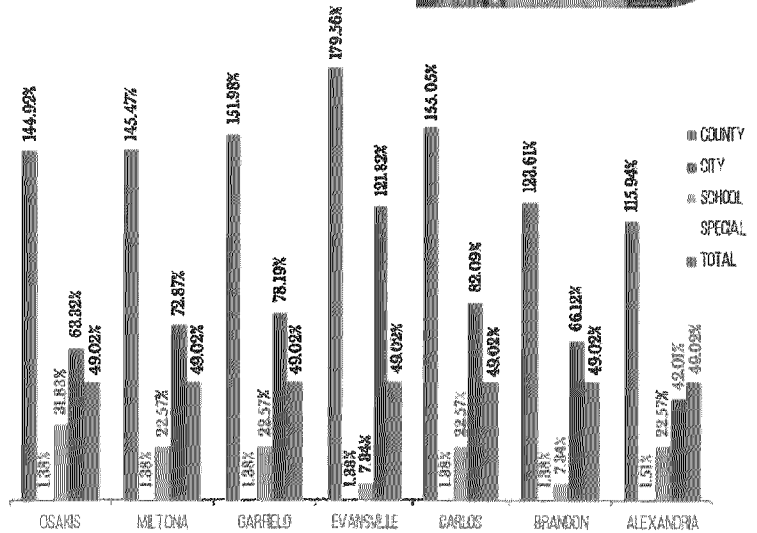
2015 PROPERTIES SOLD	UNITS SOLD	AVERAGE SALE PRICE	AVERAGE DAYS ON MARKET
Residential	684	\$223,837	141
Farm with Building	2	\$507,000	141
Land	122	\$95,611	347
Commercial	29	\$154,332	306



Taxable Market Values



City Tax Rates



COMMUNITY SERVICES & UTILITIES

MEDICAL SERVICES

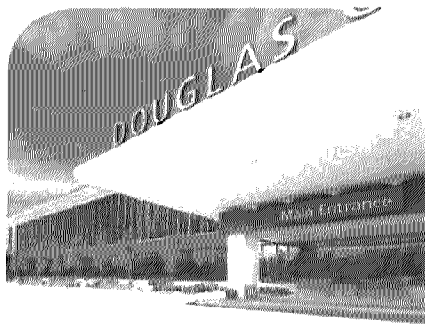
HOSPITAL & CLINICS

Serving 150,000 people from throughout west central Minnesota.

Douglas County Hospital

Alexandria Clinic

Sanford Health



AREA UTILITIES

WATER, ELECTRIC & TELECOMMUNICATIONS

ALP Utilities

Runestone Electric Association

Gardonville

CenturyLink

WASTEWATER TREATMENT

Alexandria Lakes Area
Sanitary District
Plant Flow | 2,892,000 gallons p/day

WASTEWATER TREATMENT

Pope/Douglas Solid Waste
Management
The facility is designed to incinerate 240 tons of processed mixed municipal, commercial and non-hazardous industrial waste per day.

TRANSPORTATION

HIGHWAYS

State Highway 29
Running North & South

State Highway 27
Running East & West

Interstate 94

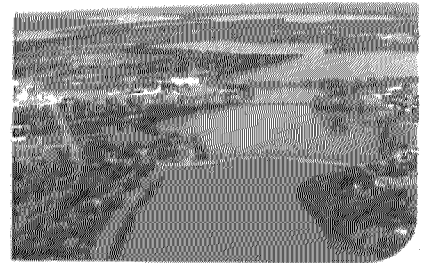
AIR

Alexandria Municipal Airport

BUS

Executive Express

Rainbow Rider



Lending Environment

INSTITUTION	2014 DEPOSITS	2015 DEPOSITS	2016 DEPOSITS	2016-2015 DIFFERENCE
American National Bank of MN	\$14,206,000.00	\$14,795,000.00	\$13,089,000.00	-13%
Bell Bank	\$73,301,000.00	\$84,528,000.00	\$96,505,000.00	12%
BlackRidge BANK	\$81,375,000.00	\$79,760,000.00	\$89,457,000.00	11%
Bremer Bank NA	\$255,196,000.00	\$252,277,000.00	\$249,860,000.00	-1%
First Security Bank of Evansville	\$16,523,000.00	\$17,462,000.00	\$16,264,000.00	-7%
Gate City Bank	\$9,390,000.00	\$9,409,000.00	\$10,574,000.00	11%
Glenwood State Bank	\$52,420,000.00	\$65,178,000.00	\$79,589,000.00	18%
Hometown Community Bank	\$10,756,000.00	\$10,718,000.00	\$13,022,000.00	18%
Kensington Bank	\$42,633,000.00	\$42,872,000.00	\$40,815,000.00	-5%
Neighborhood National Bank	\$44,166,000.00	\$42,823,000.00	\$39,402,000.00	-9%
The First National Bank of Osakis	\$53,567,000.00	\$51,706,000.00	\$52,961,000.00	2%
US Bank NA	\$53,102,000.00	\$61,351,000.00	\$65,491,000.00	6%
Vantage Bank	n/a	\$2,874,000.00	\$8,176,000.00	65%
Vikings Savings Bank	\$114,563,000.00	\$125,011,000.00	\$134,321,000.00	7%
Wells Fargo Bank NA	\$111,720,000.00	\$112,631,000.00	\$107,148,000.00	-5%
Total Douglas County Deposits	\$932,918,000.00	\$973,395,000.00	\$1,016,674,000.00	4%
Grant County	\$162,179,000.00	\$154,951,000.00	\$154,965,000.00	0%
Ottertail County	\$1,191,815,000.00	\$1,219,140,000.00	\$1,246,447,000.00	2%
Pope County	\$277,291,000.00	\$278,075,000.00	\$284,290,000.00	2%
Stearns County	\$4,215,401,000.00	\$4,168,739,000.00	\$4,391,334,000.00	5%
Todd County	\$293,902,000.00	\$294,188,000.00	\$294,650,000.00	0%



BOUNDLESS RECREATION AT BEAUTIFUL LAKES AND PARKS. TOP-NOTCH EDUCATION AND HEALTHCARE FACILITIES. ALL THE DINING, SHOPPING AND ENTERTAINMENT AMENITIES YOU CAN THINK OF.



DESIGN & PHOTOS COURTESY OF: INNOVATIVE PROFESSIONAL CREATIVE
 TO REVALENT SCHOOL DISTRICT 22, SPECTRUM ENGINEERING
 ALBEMARLE INDUSTRIES, ULS APARTMENTS, EXPLORE ALEX

5 Arts Centers

NATURAL BEAUTY | ADVENTURE



Over **350**
Lakes

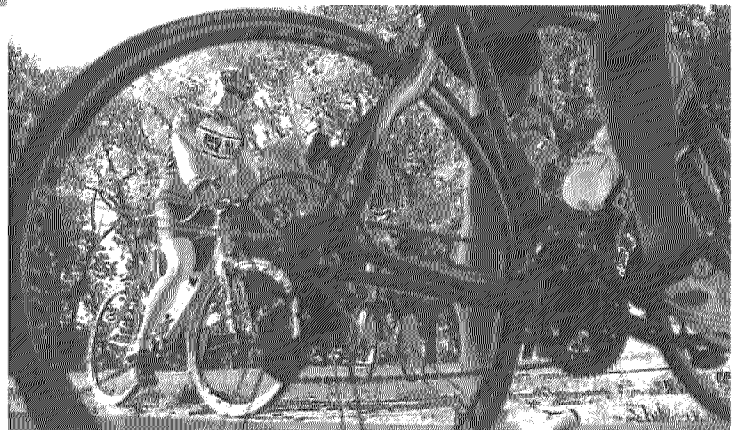


110
Miles of Trail

23
Local Parks

LAKE CARLOS STATE PARK

Lake Carlos State Park's offer a variety of recreational activities. Clear and deep, Lake Carlos offers visitors a perfect setting for swimming, fishing, boating, camping, hiking and horseback riding. In the winter, snowshoe and ski from the tamarack bog to a maple-basswood forest.





Community Profile

Grand Rapids city
Place

Grand Rapids cit...

Population Summary

2000 Total Population	10,341
2010 Total Population	10,869
2016 Total Population	11,480
2016 Group Quarters	685
2021 Total Population	11,887
2016-2021 Annual Rate	0.70%

Household Summary

2000 Households	4,333
2000 Average Household Size	2.28
2010 Households	4,615
2010 Average Household Size	2.20
2016 Households	4,886
2016 Average Household Size	2.21
2021 Households	5,068
2021 Average Household Size	2.21
2016-2021 Annual Rate	0.73%
2010 Families	2,633
2010 Average Family Size	2.84
2016 Families	2,800
2016 Average Family Size	2.84
2021 Families	2,895
2021 Average Family Size	2.84
2016-2021 Annual Rate	0.67%

Housing Unit Summary

2000 Housing Units	4,591
Owner Occupied Housing Units	64.0%
Renter Occupied Housing Units	30.4%
Vacant Housing Units	5.6%
2010 Housing Units	4,910
Owner Occupied Housing Units	58.3%
Renter Occupied Housing Units	35.7%
Vacant Housing Units	6.0%
2016 Housing Units	5,226
Owner Occupied Housing Units	59.0%
Renter Occupied Housing Units	34.5%
Vacant Housing Units	6.5%
2021 Housing Units	5,435
Owner Occupied Housing Units	59.2%
Renter Occupied Housing Units	34.1%
Vacant Housing Units	6.8%

Median Household Income

2016	\$49,660
2021	\$54,306

Median Home Value

2016	\$149,448
2021	\$170,795

Per Capita Income

2016	\$29,391
2021	\$32,258

Median Age

2010	42.0
2016	43.1
2021	43.3

Data Note: Household population includes persons not residing in group quarters. Average Household Size is the household population divided by total households. Persons in families include the householder and persons related to the householder by birth, marriage, or adoption. Per Capita Income represents the income received by all persons aged 15 years and over divided by the total population.
Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

July 14, 2016



Community Profile

Grand Rapids city
Place

Grand Rapids cit...

2016 Households by Income

Household Income Base	Count	Percentage
<\$15,000	4,887	12.6%
\$15,000 - \$24,999		9.3%
\$25,000 - \$34,999		10.2%
\$35,000 - \$49,999		18.1%
\$50,000 - \$74,999		20.5%
\$75,000 - \$99,999		10.4%
\$100,000 - \$149,999		12.5%
\$150,000 - \$199,999		2.7%
\$200,000+		3.6%
Average Household Income	\$67,412	

2021 Households by Income

Household Income Base	Count	Percentage
<\$15,000	5,067	12.2%
\$15,000 - \$24,999		10.4%
\$25,000 - \$34,999		6.3%
\$35,000 - \$49,999		16.0%
\$50,000 - \$74,999		20.8%
\$75,000 - \$99,999		11.5%
\$100,000 - \$149,999		15.5%
\$150,000 - \$199,999		3.5%
\$200,000+		3.8%
Average Household Income	\$74,092	

2016 Owner Occupied Housing Units by Value

Total	Count	Percentage
<\$50,000	3,083	7.0%
\$50,000 - \$99,999		15.4%
\$100,000 - \$149,999		27.9%
\$150,000 - \$199,999		22.1%
\$200,000 - \$249,999		11.8%
\$250,000 - \$299,999		6.0%
\$300,000 - \$399,999		5.2%
\$400,000 - \$499,999		3.9%
\$500,000 - \$749,999		0.6%
\$750,000 - \$999,999		0.0%
\$1,000,000 +		0.1%
Average Home Value	\$170,864	

2021 Owner Occupied Housing Units by Value

Total	Count	Percentage
<\$50,000	3,218	3.8%
\$50,000 - \$99,999		9.0%
\$100,000 - \$149,999		25.8%
\$150,000 - \$199,999		27.3%
\$200,000 - \$249,999		15.8%
\$250,000 - \$299,999		7.7%
\$300,000 - \$399,999		5.5%
\$400,000 - \$499,999		4.2%
\$500,000 - \$749,999		0.6%
\$750,000 - \$999,999		0.0%
\$1,000,000 +		0.1%
Average Home Value	\$188,323	

Data Note: Income represents the preceding year, expressed in current dollars. Household income includes wage and salary earnings, interest dividends, net rents, pensions, SSI and welfare payments, child support, and alimony.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

July 14, 2016



Community Profile

Grand Rapids city
Place

Grand Rapids cit...

2010 Population by Age

Total	10,869
0 - 4	6.1%
5 - 9	6.1%
10 - 14	6.1%
15 - 24	12.4%
25 - 34	12.1%
35 - 44	10.2%
45 - 54	13.3%
55 - 64	12.8%
65 - 74	7.7%
75 - 84	7.7%
85 +	5.4%
18 +	77.8%

2016 Population by Age

Total	11,483
0 - 4	5.6%
5 - 9	5.7%
10 - 14	5.8%
15 - 24	13.0%
25 - 34	11.7%
35 - 44	10.2%
45 - 54	11.8%
55 - 64	14.2%
65 - 74	9.7%
75 - 84	7.3%
85 +	5.1%
18 +	79.4%

2021 Population by Age

Total	11,885
0 - 4	5.6%
5 - 9	5.5%
10 - 14	5.7%
15 - 24	12.0%
25 - 34	12.3%
35 - 44	10.5%
45 - 54	10.8%
55 - 64	13.2%
65 - 74	11.7%
75 - 84	7.7%
85 +	4.8%
18 +	79.7%

2010 Population by Sex

Males	5,166
Females	5,703

2016 Population by Sex

Males	5,539
Females	5,944

2021 Population by Sex

Males	5,776
Females	6,109

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

July 14, 2016



Community Profile

Grand Rapids city
Place

Grand Rapids cit...

2010 Population by Race/Ethnicity

Total	10,869
White Alone	94.6%
Black Alone	0.6%
American Indian Alone	1.9%
Asian Alone	0.6%
Pacific Islander Alone	0.0%
Some Other Race Alone	0.3%
Two or More Races	2.0%
Hispanic Origin	1.2%
Diversity Index	12.5

2016 Population by Race/Ethnicity

Total	11,481
White Alone	93.2%
Black Alone	0.9%
American Indian Alone	2.1%
Asian Alone	0.7%
Pacific Islander Alone	0.0%
Some Other Race Alone	0.5%
Two or More Races	2.5%
Hispanic Origin	2.1%
Diversity Index	16.5

2021 Population by Race/Ethnicity

Total	11,887
White Alone	92.0%
Black Alone	1.3%
American Indian Alone	2.3%
Asian Alone	0.8%
Pacific Islander Alone	0.0%
Some Other Race Alone	0.6%
Two or More Races	3.1%
Hispanic Origin	2.7%
Diversity Index	19.8

2010 Population by Relationship and Household Type

Total	10,869
In Households	93.4%
In Family Households	71.2%
Householder	24.2%
Spouse	17.5%
Child	25.8%
Other relative	1.3%
Nonrelative	2.4%
In Nonfamily Households	22.2%
In Group Quarters	6.6%
Institutionalized Population	4.4%
Noninstitutionalized Population	2.2%

Data Note: Persons of Hispanic Origin may be of any race. The Diversity Index measures the probability that two people from the same area will be from different race/ethnic groups.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.

July 14, 2016



2016 Population 25+ by Educational Attainment

Total	8,022
Less than 9th Grade	2.4%
9th - 12th Grade, No Diploma	4.0%
High School Graduate	27.7%
GED/Alternative Credential	5.1%
Some College, No Degree	25.9%
Associate Degree	9.4%
Bachelor's Degree	15.0%
Graduate/Professional Degree	10.5%

2016 Population 15+ by Marital Status

Total	9,511
Never Married	27.4%
Married	48.9%
Widowed	11.4%
Divorced	12.3%

2016 Civilian Population 16+ in Labor Force

Civilian Employed	95.8%
Civilian Unemployed	4.2%

2016 Employed Population 16+ by Industry

Total	4,993
Agriculture/Mining	1.4%
Construction	3.7%
Manufacturing	7.3%
Wholesale Trade	2.9%
Retail Trade	12.4%
Transportation/Utilities	4.6%
Information	0.9%
Finance/Insurance/Real Estate	5.0%
Services	58.4%
Public Administration	3.4%

2016 Employed Population 16+ by Occupation

Total	4,993
White Collar	55.2%
Management/Business/Financial	10.4%
Professional	22.1%
Sales	11.5%
Administrative Support	11.2%
Services	26.0%
Blue Collar	18.8%
Farming/Forestry/Fishing	1.4%
Construction/Extraction	3.1%
Installation/Maintenance/Repair	2.9%
Production	4.9%
Transportation/Material Moving	6.5%

2010 Population By Urban/ Rural Status

Total Population	10,869
Population Inside Urbanized Area	0.0%
Population Inside Urbanized Cluster	76.1%
Rural Population	23.9%

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.



2010 Households by Type

Total	4,615
Households with 1 Person	36.5%
Households with 2+ People	63.5%
Family Households	57.1%
Husband-wife Families	41.1%
With Related Children	15.0%
Other Family (No Spouse Present)	15.9%
Other Family with Male Householder	3.6%
With Related Children	2.3%
Other Family with Female Householder	12.4%
With Related Children	8.8%
Nonfamily Households	6.5%
 All Households with Children	 26.6%
 Multigenerational Households	 1.6%
Unmarried Partner Households	6.7%
Male-female	6.4%
Same-sex	0.3%
2010 Households by Size	
Total	4,615
1 Person Household	36.5%
2 Person Household	34.2%
3 Person Household	12.2%
4 Person Household	10.7%
5 Person Household	3.9%
6 Person Household	1.7%
7 + Person Household	0.7%
2010 Households by Tenure and Mortgage Status	
Total	4,615
Owner Occupied	62.1%
Owned with a Mortgage/Loan	39.0%
Owned Free and Clear	23.1%
Renter Occupied	37.9%
2010 Housing Units By Urban/ Rural Status	
Total Housing Units	4,910
Housing Units Inside Urbanized Area	0.0%
Housing Units Inside Urbanized Cluster	78.6%
Rural Housing Units	21.4%

Data Note: Households with children include any households with people under age 18, related or not. Multigenerational households are families with 3 or more parent-child relationships. Unmarried partner households are usually classified as nonfamily households unless there is another member of the household related to the householder. Multigenerational and unmarried partner households are reported only to the tract level. Esri estimated block group data, which is used to estimate polygons or non-standard geography.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.



Top 3 Tapestry Segments

- 1.
- 2.
- 3.

Grand Rapids cit...

- Midlife Constants (5E)
- Small Town Simplicity
- Heartland Communities

2016 Consumer Spending

Apparel & Services: Total \$	\$8,377,226
Average Spent	\$1,714.54
Spending Potential Index	85
Education: Total \$	\$5,619,700
Average Spent	\$1,150.16
Spending Potential Index	81
Entertainment/Recreation: Total \$	\$12,726,717
Average Spent	\$2,604.73
Spending Potential Index	89
Food at Home: Total \$	\$22,230,286
Average Spent	\$4,549.79
Spending Potential Index	91
Food Away from Home: Total \$	\$13,100,074
Average Spent	\$2,681.14
Spending Potential Index	87
Health Care: Total \$	\$24,638,070
Average Spent	\$5,042.58
Spending Potential Index	95
HH Furnishings & Equipment: Total \$	\$7,572,649
Average Spent	\$1,549.87
Spending Potential Index	88
Personal Care Products & Services: Total \$	\$3,120,148
Average Spent	\$638.59
Spending Potential Index	87
Shelter: Total \$	\$64,384,288
Average Spent	\$13,177.30
Spending Potential Index	85
Support Payments/Cash Contributions/Gifts in Kind: Total \$	\$10,579,229
Average Spent	\$2,165.21
Spending Potential Index	93
Travel: Total \$	\$7,684,702
Average Spent	\$1,572.80
Spending Potential Index	85
Vehicle Maintenance & Repairs: Total \$	\$4,628,855
Average Spent	\$947.37
Spending Potential Index	92

Data Note: Consumer spending shows the amount spent on a variety of goods and services by households that reside in the area. Expenditures are shown by broad budget categories that are not mutually exclusive. Consumer spending does not equal business revenue. Total and Average Amount Spent Per Household represent annual figures. The Spending Potential Index represents the amount spent in the area relative to a national average of 100.

Source: Consumer Spending data are derived from the 2013 and 2014 Consumer Expenditure Surveys, Bureau of Labor Statistics. Esri.

Source: U.S. Census Bureau, Census 2010 Summary File 1. Esri forecasts for 2016 and 2021. Esri converted Census 2000 data into 2010 geography.



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

REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #8

Meeting Date: 4/26/18

Statement of Issue:

Consider approval of a Pre-development Agreement with Rebound Hospitality.

Background:

For the past several months, staff has been working closely with Rebound Hospitality, LLC in Northfield, MN on their intended redevelopment of the former Sawmill Inn site. Rebound has executed a purchase agreement with due diligence period of several months, during which time they will finalize the development plan and secure funding for the proposed project. Currently the concept for the redevelopment involves the removal of the existing building, subdivision of the 9-acre property into 4-5 commercial sites, with one reserved for an 80-unit hotel.

We have discussed with Rebound the possible use of the MN IRRR Commercial Redevelopment grant program, as well as Tax Increment Financing (TIF), to address additional redevelopment costs that negatively affect the financial feasibility of the project. Such additional costs in this case might include the acquisition of a building (not the site) that must be removed and the cost to remove that building to allow for reuse of the site.

Rebound has indicated that they intend to request either TIF or Tax Abatement business assistance from the City during their due diligence period. They anticipate being prepared to submit that application in early June. The attached draft schedule highlights the steps in that process.

There are a number of TIF district types established under Minnesota Statutes. The most appropriate for this type of planned project is a TIF Redevelopment District, the alternative would be to consider the appropriateness of Tax Abatement, which has a shorter term and would have to be separately approved by the County. There are conditions that must be met in order to qualify the site as a potential Redevelopment District. These conditions relate to the ratio of developed lots (those that include buildings and parking areas) within the district and to the building condition. The building must be found to be structurally substandard, as it is described in the TIF statute.

The analysis, determination and qualification of the site as compliant with the Redevelopment District criteria is accomplished through an inspection and report prepared by an

	<p>architect.</p> <p>Rebound would like to have that determination made in advance of submitting a request for either TIF or Tax Abatement Business Assistance. The Pre-development Agreement between GREDA and Rebound addresses Rebound's desire to advance the TIF analysis work proposed by LHB Architects by depositing \$6,500 with GREDA to cover both the cost of the analysis, which is \$5,700, and administrative costs such as the preparation of the Pre-development Agreement.</p>
Recommendation:	
Required Action:	Approve a Pre-development Agreement with Rebound Hospitality.
Attachments:	Pre-development Agreement

DRAFT - SCHEDULE OF EVENTS

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
AND THE CITY OF GRAND RAPIDS
ITASCA COUNTY, MINNESOTA

FOR THE MODIFICATION TO THE REDEVELOPMENT PLAN
FOR THE REDEVELOPMENT PROJECT

AND THE ESTABLISHMENT OF THE
SAWMILL REDEVELOPMENT TAX INCREMENT FINANCING DISTRICT
(a redevelopment district)

(draft as of April 19, 2018)

- April 2, 2018 LHB begins inspections and blight analysis for Sawmill project.
- April 26, 2018 Pre-Development Agreement is executed, escrow deposit is received, LHB receives notice to proceed.
- Development negotiations begin
- May 11, 2018 LHB completes inspections and preliminary results of blight analysis for Sawmill project are known.
- June 1, 2018 Developer submits TIF application to City.
- June 22, 2018 City completes review of TIF application and request for assistance.
- June 28, 2018 EDA requests that the City call for a public hearing.
- June 29, 2018 Project information (property identification numbers and legal descriptions, detailed project description, maps, but/for statement, and list of sources and uses of funds) for drafting necessary documentation sent to Ehlers.
- June 29, 2018 Letter received by County Commissioner giving notice of a potential redevelopment tax increment financing district (at least 30 days prior to publication of public hearing notice). *[Ehlers will fax and mail on June 29, 2018]*
- July 9, 2018 City Council calls for a public hearing on TIF District.
- N/A County receives TIF Plan for review for County Road impacts (at least 45 days prior to public hearing). **The County Board, by law, has 45 days to review the TIF Plan to determine if any county roads will be impacted by the development. Because the City staff does not believe that the proposed tax increment financing district may require county road improvements, the TIF Plan was not forwarded to the County Board 45 days prior to the public hearing.*



SCHEDULE OF EVENTS – PAGE 2

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND THE CITY OF GRAND RAPIDS ITASCA COUNTY, MINNESOTA

FOR THE MODIFICATION TO THE REDEVELOPMENT PLAN FOR THE REDEVELOPMENT PROJECT

AND THE ESTABLISHMENT OF A TAX INCREMENT FINANCING DISTRICT *(a redevelopment district)*

- July 9, 2018 Ehlert confirms with the City whether building permits have been issued on the property to be included in the TIF District.
- July 10, 2018 Planning Commission reviews the Plans to determine if they are in compliance with City's comprehensive plan.
- July 13, 2018 Fiscal/economic implications received by School Board Clerk and County Auditor (at least 30 days prior to public hearing). *[Ehlert will fax and mail on or before July 13, 2018.]*
- July 19, 2018 LHB provides final written report on redevelopment qualifications.
- July 26, 2018 EDA adopts a resolution approving the Plans.
- August 1, 2018 Date of publication of hearing notice and map (at least 10 days but not more than 30 days prior to hearing). *[Ehlert will submit notice & map to the Grand Rapids Herald Review on or before July 27, 2018 at news@grandrapidsheraldreview.net]*
- August 3, 2018 Ehlert conducts internal review of the Plans.
- August 13, 2018 City Council holds public hearing at 5:00 p.m. on a Modification to the Redevelopment Plan for the Redevelopment Project, the establishment of a Tax Increment Financing District and passes resolution approving the Plans. *[Ehlert will email Council packet information to the City on or before August 8, 2018]*
- August 14, 2018 City can issue building permits.
- _____ Ehlert requests certification of the TIF District from the state and county.

An action under subdivision 1, paragraph (a), contesting the validity of a determination by an authority under section 469.175, subdivision 3, must be commenced within the later of:

- (1) 180 days after the municipality's approval under section 469.175, subdivision 3; or
- (2) 90 days after the request for certification of the district is filed with the county auditor under section 469.177, subdivision 1.



PRELIMINARY REDEVELOPMENT AGREEMENT

THIS AGREEMENT, made and entered into this ___ day of April, 2018 between the Grand Rapids Economic Development Authority, a public body corporate and politic under the laws of the State of Minnesota (“Authority”) and Rebound Hospitality, LLC, a Minnesota limited liability company (“Redeveloper”):

RECITALS

WHEREAS, the Redeveloper and the Authority have been engaged in informal discussions regarding the possible redevelopment of certain land that is legally described in the attached EXHIBIT A (the “Property”) located in the City of Grand Rapids, Minnesota (the “City”);

WHEREAS, the Redeveloper has submitted a preliminary proposal for the acquisition and Redevelopment of the Property for the demolition of an existing building and the Redevelopment of an approximately 80 unit hotel together with 3-4 additional commercial sites (the “Redevelopment”); and

WHEREAS, the Redeveloper has requested that the Authority explore the use of tax increment financing under Minnesota Statutes, Sections 469.174 to 469.1794, as amended (the “Tax Increment Act”) and/or other public financial assistance to offset a portion of the public costs of the Redevelopment; and

WHEREAS, the Authority has requested that the Redeveloper make an initial nonrefundable deposit as described herein, which is intended to reimburse the Authority for its costs related to exploration of whether redevelopment tax increment financing assistance is appropriate for the Redevelopment.

NOW, THEREFORE, in consideration of the foregoing and of the mutual covenants and obligations set forth herein, the parties agree as follows:

Section 1. Intention of Parties. It is the intention of the parties that this Agreement documents the present understanding and commitments of the parties and that the parties explore potential Authority financial assistance for the Redevelopment, specifically the potential of the Property to qualify as a redevelopment tax increment financing district in accordance with Section 469.174, subdivision 1, by completing a redevelopment tax increment financing analysis (the “Redevelopment Analysis”) for the Property to be performed by LHB, Inc. (“LHB”) as set forth in the proposal attached hereto as Exhibit B. The parties desire that undertaking the activities described in this Agreement will lead to the submission to the Authority of a Business Assistance Application by the Redeveloper in connection with the Redevelopment. This Agreement does not commit the Authority to provide any financial assistance for the Redevelopment.

Section 2. Reimbursement of Costs. The Redeveloper shall be solely responsible for all costs incurred by the Redeveloper. In addition, the Redeveloper shall reimburse the

Authority for Administrative Costs, as hereafter defined. For the purposes of this Agreement, the term "Administrative Costs" means out of pocket costs incurred by the Authority attributable to or incurred in connection with the negotiation and preparation of this Agreement, including but not limited to attorneys fees and fiscal consultant fees, and the completion of the Redevelopment Analysis.

In order to secure payment of the Administrative Costs, the Redeveloper shall deliver to the Authority cash or a certified check in the amount of \$6,500, such delivery to occur upon the execution of this Agreement. If at any one or more times during the term of this Agreement, the Authority determines that Administrative Costs will exceed \$6,500 and that additional security is required, the Authority shall notify the Redeveloper of the amount of such additional security. Within ten (10) calendar days of receipt of this notice, the Redeveloper shall deliver to the Authority the required additional security. The Authority will utilize the funds delivered by the Redeveloper to pay or reimburse itself for Administrative Costs. Upon termination of this Agreement, the Authority will return to the Redeveloper the funds paid by the Redeveloper to the Authority pursuant to this Section 2, less an amount equal to the Administrative Costs incurred by the Authority through the date of notice of termination. For the purposes of this paragraph, Administrative Costs are considered to be incurred if they have been paid, relate to services performed, or are payable under a contract entered into, on or before the date of the notice of termination.

This Section 2 shall survive termination of this Agreement and shall be binding on the Redeveloper regardless of the enforceability of any other provision of this Agreement.

The Redeveloper acknowledges and agrees that any amounts paid in accordance with this Section 2 are in addition to any fees and costs required to be paid in accordance with the City's Tax Abatement and Tax Increment Financing Policy and Business Assistance Application.

Section 3. Redeveloper's Obligations. During the term of this Agreement, the Redeveloper shall:

- (a) Pay all Authority costs as set forth in Section 2 of this Agreement.
- (b) Cooperate with the Authority and LHB in the completion of the Redevelopment Analysis.
- (c) Work towards submitting a Business Assistance Application for the Redevelopment and comply in all respects with the City's Tax Abatement and Tax Increment Financing Policy.
- (d) If a Business Assistance Application is submitted, provide all reports, documents, projections, studies, material, and information required thereunder.
- (e) If a Business Assistance Application is submitted and the Authority and the City determine, in their sole discretion, to move forward with its process for providing financial assistance for the Redevelopment, the Redeveloper understands and agrees that such financial assistance shall be provided pursuant to a Contract for

Private Redevelopment (the “Contract”), or other similar document, setting forth the terms of such assistance and that such Contract will need to be negotiated and finalized before any such financial assistance will be provided.

Section 4. Authority’s Obligations. During the term of this Agreement, the Authority agrees to:

- (a) Engage LHB to conduct the Redevelopment Analysis as previously referenced in this Agreement.
- (b) Cooperate with the Redeveloper in evaluating any redevelopment proposal submitted by the Redeveloper upon the submission of the Business Assistance Application in accordance with the City’s Tax Abatement and Tax Increment Financing Policy.

Section 5. Contingencies. It is expressly understood that the provision of any public assistance to the Redeveloper shall be subject to:

- (a) After submission of a Business Assistance Application by the Redeveloper to the City and the Authority, a determination by the City and the Authority in their sole discretion that any public financial assistance for the Redevelopment is feasible based on the projected tax increment and any other revenues designated by the City and the Authority, and that any such assistance is limited to the amount necessary to achieve financial feasibility based on Redeveloper’s (or a successor’s) pro forma and review of all the facts and circumstances.
- (b) A determination by the City and the Authority, in their sole discretion, that the Redeveloper has complied with all City ordinances, land use and zoning requirements.
- (c) A determination by the City and the Authority that the Redevelopment is feasible and in the best interests of the City and the Authority.
- (d) The ability of Redeveloper to acquire all of the Property.
- (e) The negotiation and execution of a final Contract.

Section 6. Designation As Sole Redeveloper of Property. The Authority hereby agrees that for the term of this Agreement it will not provide or enter into any agreement for the provision of financial assistance to any third party in connection with any proposed Redevelopment within the Property. During such period the Redeveloper shall have the exclusive right to work with the Authority in negotiating a definitive contract for the Property.

Rebound Hospitality, LLC shall be authorized to assign its rights and obligations under this Agreement to an entity in which Brett D. Reese is a partner, member, shareholder or owner (a “Related Entity”). The Redeveloper shall provide written notice to the Authority upon the assignment of this Agreement to a Related Entity. Upon the assumption by a Related Entity of all

duties and obligations of Rebound Hospitality, LLC under this Agreement, Rebound Hospitality, LLC shall be released from any such duties and obligations. Except as provided above, the Redeveloper may not assign its rights or obligations under this Agreement to any person or entity without prior written approval by the Authority.

Section 7. Term of Agreement. This Agreement is effective for 120 days from the date hereof. After such date, neither party shall have any obligation hereunder except as expressly set forth to the contrary herein. The Authority may also terminate this Agreement for failure of the Redeveloper to provide additional funds pursuant to Section 2 upon thirty (30) days written notice or, if in the Authority's sole discretion, an impasse has been reached in the negotiation or implementation of any material term or condition of this Agreement.

Section 8. Remedies. In the event that the Redeveloper, its heirs, successors or assigns, fail to comply with any of the provisions of this Agreement, the Authority may proceed to enforce this Agreement by appropriate legal or equitable proceedings, or other similar proceedings, and the Redeveloper, its heirs, successors or assigns, agree to pay all costs of such enforcement, including reasonable attorneys' fees.

Section 9. Severability. If any portion of this Agreement is held invalid by a court of competent jurisdiction, such decision shall not affect the validity of any remaining portion of the Agreement.

Section 10. Amendment and Waiver. In the event any covenant contained in this Agreement should be breached by one party and subsequently waived by another party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other concurrent, previous or subsequent breach. This Agreement may not be amended nor any of its terms modified except by a writing authorized and executed by all parties hereto.

Section 11. Notice. Notice or demand or other communication between or among the parties shall be sufficiently given if sent by mail, postage prepaid, return receipt requested or delivered personally:

- | | | |
|-----|------------------------|--|
| (a) | As to the Authority: | Grand Rapids Economic
Development Authority
420 N. Pokegama Avenue
Grand Rapids, MN 55744
Attn: Executive Director |
| (b) | As to the Redeveloper: | Rebound Hospitality, LLC
527 Professional Drive
Northfield, MN 55057
Attn: Brett D. Reese |

Section 12. Counterparts. This Agreement may be executed simultaneously in any number of counterparts, all of which shall constitute one and the same instrument.

Section 13. Governing Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Minnesota. Any disputes, controversies, or claims arising out of this Agreement shall be heard in the state or federal courts of Minnesota, and all parties to this Agreement waive any objection to the jurisdiction of these courts, whether based on convenience or otherwise.

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

IN WITNESS WHEREOF, the Authority has caused this Agreement to be duly executed in its name and behalf and its seal to be duly affixed hereto, and the Redeveloper has caused this Agreement to be duly executed as of the day and year first above written.

REBOUND HOSPITALITY, LLC

By _____
Its: _____

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Its President

By _____
Its Executive Director

EXHIBIT A

Description of Property

The land located in the State of Minnesota, County of Itasca, City of Grand Rapids legally described as follows:

A parcel of land in the Northwest Quarter of the Northwest Quarter (NW 1/4 of NW 1/4), Section Thirty-three (33), Township Fifty-five (55) North, Range Twenty-five (25), West of the Fourth Principal Meridian and being more particularly described as follows: Assuming the East boundary line of said Northwest Quarter of the Northwest Quarter (NW 1/4 of NW 1/4) to have a bearing of South 00 degrees 43 minutes 00 seconds East and starting at a point on said East boundary line 450.00 feet Southerly of the Northeast corner of said Northwest Quarter of the Northwest Quarter (NW 1/4 of NW 1/4); thence South 89 degrees 17 minutes 00 seconds West for a distance of 75.00 feet to the point of beginning, said point of beginning being on the Westerly right of way line of Highway No. 169; thence continue South 89 degrees 17 minutes 00 seconds West for a distance of 651.00 feet to a point; thence South 00 degrees 43 minutes 00 seconds East for a distance of 600.00 feet to a point; thence North 89 degrees 17 minutes 00 seconds East for a distance of 651.00 feet to a point on the Westerly right of way of U.S. Highway No. 169; thence North 00 degrees 43 minutes 00 seconds West along said Westerly right of way for a distance of 600.00 feet to the point of beginning.

Property is Abstract

EXHIBIT B

LHB PROPOSAL



**PERFORMANCE
DRIVEN DESIGN.**
LHBcorp.com

March 2, 2018

Rob Mattei
Director of Community Development
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662

SAWMILL INN REDEVELOPMENT TIF ANALYSIS

Dear Rob,

Thank you for the opportunity to submit a proposal for a Redevelopment TIF analysis in Grand Rapids, Minnesota. LHB is a full-service architecture, planning and engineering firm with 250 employees in our Minneapolis, Duluth, Cambridge, and Superior, Wisconsin offices.

Our Government studio has extensive experience working with local governments on their planning, design, architectural and engineering needs. Having been personally involved on various city councils and planning commissions, I understand how cities function and the importance of maintaining the support of your appointed and elected officials and community throughout the process.

PREVIOUS EXPERIENCE

LHB has significant experience with a variety of inspection and facility assessment projects, including the analysis of over 200 TIF Districts. Examples include:

- City of Columbia Heights TIF inspection services
- City of St. Paul TIF inspection services
- City of St. Anthony Village, NW Quadrant TIF inspection services
- City of St. Louis Park TIF District inspection services
- City of Mound TIF District "1-2" inspection services
- City of Osseo TIF inspection services
- City of New Richmond, WI TIF inspection services
- Minnesota State Colleges and Universities system facility assessments
- State of Minnesota Facility Assessments
- Property Condition Assessments for the St. Paul Department of Planning and Economic Development (Franklin/Emerald Neighborhood)
- Condition surveys for every DNR facility in the State of Minnesota, 2014

1100 University Avenue, Suite 200	Duluth, MN 55802	218.727.8911
1000 Hennepin Avenue, Suite 200	Minneapolis, MN 55403	612.338.2020
1000 East Hennepin Avenue, Suite 200	Cambridge, MN 55008	763.689.4942
1000 East Hennepin Avenue, Suite 200	Superior, WI 54880	715.392.2902

TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 29 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission and is currently a member of the Edina city council. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Waugh - Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

Jonathan Pettigrew, AIA - Inspector

Jonathan Pettigrew has worked in architecture and construction for the last twenty years in Minnesota, California and Washington. His experience includes a variety of commercial and residential project types and scales, from single-family homes to a 300,000 square foot multi-building office complex. He has significant experience in code reviews and building systems inspections and analysis. Jonathan received his Minnesota architect's license in 2004. He brings a strong interest in sustainability and an eye for detail to his work. He enjoys working with clients, consultants and contractors to bring projects together successfully.

Phil Fisher - Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

following:

- A scalable parcel map and/or aerial photo of the area to be inspected, including GIS information with specific parcel data, including parcel area measured in square feet.
- A list of all parcels affected including name of owner, current known business or resident name and address.
- Available information regarding the condition of the structures, including past building permit information, and known code violations.

STANDARD OF CARE

LHB shall perform services consistent with the professional skill and care ordinarily provided by other professionals practicing in the same or similar locality under the same or similar circumstances.

Any report prepared by LHB represents a professional opinion based upon information available and arrived at in accordance with generally accepted professional standards. Other than as contained in the report, LHB makes no express or implied warranty.

Short of complete deconstruction to examine every element at every location, no assessment can reveal all conditions which may exist. Additional testing, assessment, or demolition, may uncover conditions which would make it necessary to modify LHB's conclusions or recommendations.

Any report prepared for the purpose described in this Agreement is for the exclusive use by those to whom the report is addressed. LHB will not and cannot be held liable for the unauthorized reliance upon this report by any third party.

COMPENSATION

We propose to work on an hourly basis with the following key staff:

Project Principal, Michael Fischer (TIF analysis)	\$270/hour
Project Manager	\$165/hour
Project Architect/Inspector	\$145/hour
Project Administrator	\$85/hour

We will work on an hourly basis not to exceed Five Thousand Seven Hundred dollars (\$5,700) including reimbursable expenses for a full report outlining the findings for the proposed TIF District.

Payments are due and payable upon receipt of our invoice. Unpaid balances 60-days after invoice date shall bear interest at the rate of 8% annually.

Failure to make timely payment to LHB is a material breach of this Agreement and may, at LHB's sole discretion, result in a suspension or termination of services, and may, at LHB's sole discretion, result in the termination of the Client's limited license authorization to use LHB's copyrighted Instruments of Service.

ADDITIONAL SERVICES

If there is a material change in the circumstances or conditions that affect the scope of work, schedule, allocation of risks or other material terms, LHB shall notify the Client. The Client and LHB shall promptly and in good faith enter into negotiation to address the changed conditions including equitable adjustment to compensation. The fees and costs for any additional services will be based upon LHB's Standard Hourly Rates and Standard Reimbursable Schedule.

SCHEDULE

The final report typically requires 30-45 days to complete from the time we are authorized to start. We can make preliminary conclusions prior to our final report being completed if necessary to allow other consultants and the client to begin their work.

CONSEQUENTIAL DAMAGES

LHB and Client waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement.

LIMIT OF LIABILITY

To the maximum extent permitted by law, the Client agrees to limit LHB's liability for the Client's damages to the sum of Ten Thousand Dollars (\$10,000) or the amount of fee paid to LHB, whichever is greater. This limitation shall apply regardless of the cause of action or legal theory pled or asserted.

USE OF LHB'S DOCUMENTS

The documents prepared by LHB are solely for use with respect to this project. All documents prepared by LHB pursuant to this Agreement are the instruments of services to the Project and LHB shall retain all common law, statutory and other reserved rights, including copyright. LHB grants to Client a nonexclusive limited license solely for the purposes of evaluating and executing the Project. The Client shall not assign, delegate, sublicense, or otherwise transfer any license granted herein to another party.

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If the terms and conditions of this Agreement are acceptable, please sign and return a copy to LHB.

CLIENT NAME

LHB, INC.

By: _____
(Signature)

By: MA Fischer
(Signature)

Its: _____
(Title)

Its: Principal
(Title)

Name: _____
(Printed Name)

Name: Michael A. Fischer, ALA
(Printed Name)



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

REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #9	Meeting Date: 4/26/18
Statement of Issue:	Consider approving a proposal from LHB Architects for the preparation of a TIF Redevelopment District analysis of the former Sawmill Inn site.
Background:	LHB Architects, has submitted a the attached proposal for the preparation of a TIF analysis which will determine if the former Sawmill Inn site meets the statutory criteria for a TIF Redevelopment District. The hourly rate professional services proposal has a not to exceed total fee of \$5,700, which will be paid for from funds deposited with GREDA by Rebound Hospitality through their Pre-development Agreement dated April 26,2018.
Recommendation:	
Required Action:	Approve a proposal from LHB Architects for the preparation of a TIF Redevelopment District analysis of the former Sawmill Inn site.
Attachments:	LHB proposal



**PERFORMANCE
DRIVEN DESIGN.**
LHBcorp.com

March 2, 2018

Rob Mattei
Director of Community Development
City of Grand Rapids
420 North Pokegama Avenue
Grand Rapids, MN 55744-2662

SAWMILL INN REDEVELOPMENT TIF ANALYSIS

Dear Rob,

Thank you for the opportunity to submit a proposal for a Redevelopment TIF analysis in Grand Rapids, Minnesota. LHB is a full-service architecture, planning and engineering firm with 250 employees in our Minneapolis, Duluth, Cambridge, and Superior, Wisconsin offices.

Our Government studio has extensive experience working with local governments on their planning, design, architectural and engineering needs. Having been personally involved on various city councils and planning commissions, I understand how cities function and the importance of maintaining the support of your appointed and elected officials and community throughout the process.

PREVIOUS EXPERIENCE

LHB has significant experience with a variety of inspection and facility assessment projects, including the analysis of over 200 TIF Districts. Examples include:

- City of Columbia Heights TIF inspection services
- City of St. Paul TIF inspection services
- City of St. Anthony Village, NW Quadrant TIF inspection services
- City of St. Louis Park TIF District inspection services
- City of Mound TIF District “1-2” inspection services
- City of Osseo TIF inspection services
- City of New Richmond, WI TIF inspection services
- Minnesota State Colleges and Universities system facility assessments
- State of Minnesota Facility Assessments
- Property Condition Assessments for the St. Paul Department of Planning and Economic Development (Franklin/Emerald Neighborhood)
- Condition surveys for every DNR facility in the State of Minnesota, 2014

21 West Superior Street, Suite 500		Duluth, MN 55802		218.727.8446
701 Washington Avenue North, Suite 200		Minneapolis, MN 55401		612.338.2029
200 Third Avenue Northeast, Suite 100		Cambridge, MN 55008		763.689.4042
63 East Second Street, Suite 150		Superior, WI 54880		715.392.2902

TEAM CREDENTIALS

Michael A. Fischer, AIA, LEED AP - Project Principal/TIF Analyst

Michael has 29 years of experience as project principal, project manager, project designer and project architect on planning, urban design, educational, commercial and governmental projects. He has become an expert on Tax Increment Finance District analysis assisting over 100 cities with strategic planning for TIF Districts. He is an Architectural Principal at LHB and currently leads the Minneapolis office.

Michael completed a two-year Bush Fellowship, studying at MIT and Harvard in 1999, earning Masters degrees in City Planning and Real Estate Development from MIT. He has served on more than 50 committees, boards and community task forces, including a term as a City Council President and as Chair of a Metropolitan Planning Organization. Most recently, he served as Chair of the Edina, Minnesota planning commission and is currently a member of the Edina city council. Michael has also managed and designed several award-winning architectural projects, and was one of four architects in the Country to receive the AIA Young Architects Citation in 1997.

Phil Waugh – Project Manager/TIF Analyst

Philip is a project manager with 13 years of experience in historic preservation, building investigations, material research, and construction methods. He previously worked as a historic preservationist and also served as the preservation specialist at the St. Paul Heritage Preservation Commission. Currently, Phil sits on the Board of Directors for the Preservation Alliance of Minnesota. His current responsibilities include project management of historic preservation projects, performing building condition surveys and analysis, TIF analysis, writing preservation specifications, historic design reviews, writing Historic Preservation Tax Credit applications, preservation planning, and grant writing.

Jonathan Pettigrew, AIA – Inspector

Jonathan Pettigrew has worked in architecture and construction for the last twenty years in Minnesota, California and Washington. His experience includes a variety of commercial and residential project types and scales, from single-family homes to a 300,000 square foot multi-building office complex. He has significant experience in code reviews and building systems inspections and analysis. Jonathan received his Minnesota architect's license in 2004. He brings a strong interest in sustainability and an eye for detail to his work. He enjoys working with clients, consultants and contractors to bring projects together successfully.

Phil Fisher – Inspector

For 35 years, Phil Fisher worked in the field of Building Operations in Minnesota including White Bear Lake Area Schools. At the University of Minnesota, he earned his Bachelor of Science in Industrial Technology. He is a Certified Playground Safety Inspector, Certified Plant Engineer, and is trained in Minnesota Enterprise Real Properties (MERP) Facility Condition Assessment (FCA). His FCA training was recently applied to the Minnesota Department of Natural Resources Facilities Condition Assessment project involving over 2,000 buildings.

SCOPE OF SERVICES

LHB will provide the following services based upon the terms and conditions described below.

- 1. Survey the TIF District to determine if it meets applicable coverage test.**
 - A. To meet the coverage test, parcels consisting of 70 percent of the area of the district must be “occupied” by buildings, streets, utilities, or paved or gravel parking lots.
 - B. A parcel is not considered “occupied” unless at least 15% of its total area contains improvements.

- 2. Conduct a visual review of building(s) interior and exterior:**
 - A. Obtain property owner’s consent for inspection.
 - B. Document property conditions relative to Minnesota Statutes Section 469.174 Subdivision 10.

- 3. Estimate building(s) replacement cost:**
 - A. Replacement cost is the cost of constructing a new structure of the same square footage and type on the site.
 - B. A base cost will be calculated by establishing the building class, type and construction quality.
 - C. Identify amenities, which increase the value of the building over the standard construction quality level.
 - D. Review building permits for each parcel.
 - E. The base cost and cost of amenities will be totaled to determine the replacement cost for the property.

- 4. Evaluate building(s) existing condition:**
 - A. “Structurally substandard shall mean containing defects in structural elements or a combination of deficiencies in essential utilities and facilities, light and ventilation, fire protection including adequate egress, layout and condition of interior partitions, or similar factors, which defects or deficiencies are of sufficient total significance to justify substantial renovation or clearance.”

- 5. Determine Building(s) Code Deficiencies:**
 - A. Determine technical conditions, which are not in compliance with current building code applicable to new buildings.
 - B. Provide opinion of probable cost to correct identified deficiencies.
 - C. Compare cost of deficiency corrections to replacement value of building.

- 6. Prepare and deliver report:**
 - A. Prepare a written narrative analysis of the District describing why the property within the District does or does not meet the criteria as “structurally substandard” as established in Minnesota Statutes Section 469.174, subdivision 10.
 - B. Deliver final reports via email PDF.

ASSUMPTIONS

1. LHB will inspect one large hotel building. We will inspect both the interior and exterior of the building and evaluate the coverage of the parcel(s). The Client will provide the

following:

- A scalable parcel map and/or aerial photo of the area to be inspected, including GIS information with specific parcel data, including parcel area measured in square feet.
- A list of all parcels affected including name of owner, current known business or resident name and address.
- Available information regarding the condition of the structures, including past building permit information, and known code violations.

STANDARD OF CARE

LHB shall perform services consistent with the professional skill and care ordinarily provided by other professionals practicing in the same or similar locality under the same or similar circumstances.

Any report prepared by LHB represents a professional opinion based upon information available and arrived at in accordance with generally accepted professional standards. Other than as contained in the report, LHB makes no express or implied warranty.

Short of complete deconstruction to examine every element at every location, no assessment can reveal all conditions which may exist. Additional testing, assessment, or demolition, may uncover conditions which would make it necessary to modify LHB's conclusions or recommendations.

Any report prepared for the purpose described in this Agreement is for the exclusive use by those to whom the report is addressed. LHB will not and cannot be held liable for the unauthorized reliance upon this report by any third party.

COMPENSATION

We propose to work on an hourly basis with the following key staff:

Project Principal, Michael Fischer (TIF analysis)	\$270/hour
Project Manager	\$165/hour
Project Architect/Inspector	\$145/hour
Project Administrator	\$85/hour

We will work on an hourly basis not to exceed Five Thousand Seven Hundred dollars (\$5,700) including reimbursable expenses for a full report outlining the findings for the proposed TIF District.

Payments are due and payable upon receipt of our invoice. Unpaid balances 60-days after invoice date shall bear interest at the rate of 8% annually.

Failure to make timely payment to LHB is a material breach of this Agreement and may, at LHB's sole discretion, result in a suspension or termination of services, and may, at LHB's sole discretion, result in the termination of the Client's limited license authorization to use LHB's copyrighted Instruments of Service.

ADDITIONAL SERVICES

If there is a material change in the circumstances or conditions that affect the scope of work, schedule, allocation of risks or other material terms, LHB shall notify the Client. The Client and LHB shall promptly and in good faith enter into negotiation to address the changed conditions including equitable adjustment to compensation. The fees and costs for any additional services will be based upon LHB's Standard Hourly Rates and Standard Reimbursable Schedule.

SCHEDULE

The final report typically requires 30-45 days to complete from the time we are authorized to start. We can make preliminary conclusions prior to our full report being completed if necessary to allow other consultants and the client to begin their work.

CONSEQUENTIAL DAMAGES

LHB and Client waive consequential damages for claims, disputes or other matters in question arising out of or relating to this Agreement.

LIMIT OF LIABILITY

To the maximum extent permitted by law, the Client agrees to limit LHB's liability for the Client's damages to the sum of Ten Thousand Dollars (\$10,000) or the amount of fee paid to LHB, whichever is greater. This limitation shall apply regardless of the cause of action or legal theory pled or asserted.

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CLIENT NAME

LHB, INC.

By: _____

By: MAFischer

(Signature)

(Signature)

Its: _____

Its: Principal

(Title)

(Title)

Name: _____

Name: Michael A. Fischer, AIA

(Printed Name)

(Printed Name)