

## GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, September 14, 2017

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, September 14, 2017 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 August 24, 2017 regular meeting.
5. Consider approval of claims
6. Consider approval of a Letter of Intent submitted by Rebound Hospitality for the Block 20/21 site.
7. Discuss a request for GREDA administration of an IRRRB grant, approved for a renovation and expansion project at Grand Itasca Clinic & Hospital.
8. Discuss the City's IRRRB Commercial Redevelopment application for the Sammy's Pizza Expansion project.
9. Updates:
  - a.
10. 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 – 3/1/17

Mike Stefan – 3/1/18

Chris Lynch – 3/1/19

Sholom Blake – 3/1/19

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY  
REGULAR MEETING  
THURSDAY, AUGUST 24, 2017  
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, August 24, 2017 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, Cory Jackson, Dale Christy, Rick Blake. Absent: Michael Stefan, Mike Przytarski, Chris Lynch.

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

**APPROVAL OF MINUTES:**

**MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER CHRISTY TO APPROVE THE MINUTES OF THE AUGUST 10, 2017 REGULAR MEETING. The following voted in favor thereof: R. Blake, S. Blake, Jackson, Christy. Opposed: None, passed unanimously.**

**APPROVAL OF CLAIMS:**

**MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER R. BLAKE TO APPROVE CLAIMS IN THE AMOUNT OF \$10,366.27.**

Itasca Economic Development	\$10,000.00	Kennedy & Graven	\$171.00
Minnesota Energy Resources	\$48.09	P.U.C.	\$147.18

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

Consider adopting a revised and updated SCDP Commercial & Residential Rehabilitation Deferred Loan Program Policy and Procedures Handbook.

This handbook is updated each time we receive a new round of funding to reflect any updates that need to be made.

**MOTION BY COMMISSIONER R. BLAKE, SECOND BY COMMISSIONER JACKSON TO ADOPT A REVISED AND UPDATED SCDP COMMERCIAL AND RESIDENTIAL REHABILITATION DEFERRED LOAN PROGRAM POLICY AND PROCEDURES HANDBOOK. The following voted in favor thereof: Christy, S. Blake, Jackson, R. Blake. Opposed: None, passed unanimously.**

Consider adoption of a resolution approving Minnesota Investment Fund (MIF) loan documents for the ASV Parts Distribution Center project, and authorizing the President and Executive Director to execute on behalf of GREDA.

Community Development Director Mattei reviewed the terms of the loan document with GREDA.

**MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER CHRISTY TO ADOPT RESOLUTION 17-05 APPROVING MINNESOTA INVESTMENT FUND LOAN DOCUMENTS FOR THE ASV PARTS DISTRIBUTION CENTER PROJECT, AND AUTHORIZING THE PRESIDENT AND EXECUTIVE DIRECTOR TO EXECUTE ON BEHALF OF GREDA. The following voted in favor thereof: Jackson, R.Blake, S. Blake, Christy. Opposed: None, passed unanimously.**

Review history of Capital Project and Operating funds.

Mr. Mattei provided graphs and a spreadsheet outlining the fund balance and the revenue/expense history.

Updates:

Block 20/21 site sale/hotel development- There is interest from a different developer for this site. They would also be looking a building a hotel. Mr. Mattei will keep the GREDA updated as things progress.

There being no further business the meeting adjourned at 4:36 p.m.

Respectfully submitted:

\_\_\_\_\_  
Aurimy Groom, Recorder

**DRAFT**

DATE: 09/11/2017  
 TIME: 11:09:44  
 ID: AP443000.CGR

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 09/14/2017

VENDOR #	NAME	AMOUNT DUE
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920055	ITASCA COUNTY RECORDER	46.00
1309199	MINNESOTA ENERGY RESOURCES	48.67
1621130	P.U.C.	58.12
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$ 152.79
TOTAL ALL DEPARTMENTS		152.79

# *Rebound*

August 31, 2017

Mr. Rob Mattei  
Grand Rapids Economic Development Authority  
420 North Pokegama Avenue  
Grand Rapids, MN 55744

Dear Rob:

It has been a pleasure to meet with you regarding the 1.5 acres of land (Blocks 20/21 along NE 2<sup>nd</sup> Street) owned by the Grand Rapids Economic Development Authority. Rebound Hospitality has an interest in purchasing the property with the plan of building a hotel and is pleased to present the attached Letter of Intent for your review and consideration.

Rebound Hospitality is an investment and management services company that develops, owns and manages boutique inns, hotels and distinct properties. It is part of a larger organization, Rebound Enterprises, that has 5 verticals – Hospitality, Real Estate, Financial Services / Banking, Manufacturing and Community (giving back the 4 T's of time, talent, treasures and thinking in the communities of which we live and work).

Rebound currently has a portfolio of 5 hotels – the Archer House in Northfield, MN, the Hotel Winneshiek in Decorah, Iowa, the Des Lux Hotel in Des Moines, Iowa, a Fairfield Inn & Suites in Decorah, Iowa and currently under construction a Fairfield Inn & Suites in Northfield, MN scheduled to open next summer.

Rebound is committed to building strong leaders, strong companies and strong communities by providing hospitality services in communities like Grand Rapids. We like to collaborate and partner in creating a win-win for the parties we work with. Your site presents us with an opportunity to create and build something special in Grand Rapids.

If you have any questions or require additional information on our company or the Letter of Intent attached, please let me know. We look forward to working with you and the Grand Rapids Economic Development Authority on this exciting and important hotel project in your community.

Best,



Brett D. Reese  
Managing Partner

Enclosure

# *Rebound*

August 31, 2017

Mr. Rob Mattei  
Grand Rapids Economic Development Authority  
420 North Pokegama Avenue  
Grand Rapids, MN 55744

RE: Letter of Intent to Purchase – 1.5 acres described as Blocks 20 & 21 Site along NE 2<sup>nd</sup> Street in Grand Rapids, MN 55744

Rebound Hospitality is pleased to present this Letter of Intent (LOI) to purchase the above referenced property for your review and consideration:

**SELLER:** Grand Rapids Economic Development Authority

**BUYER:** Rebound Hospitality or Assignee  
527 Professional Drive  
Northfield, MN 55057

**Property:** Property Description: 1.5 Acres undeveloped but improved real estate owned by the Grand Rapids Economic Development Authority.  
Blocks 20 & 21 Site along NE 2<sup>nd</sup> Street in Grand Rapids, MN 55744

**Purchase Price:** Two Hundred Thousand Dollars (\$200,000)

**Earnest Money:** One Thousand Dollar (\$1,000) refundable deposit to be made upon execution of the LOI

**Due Diligence and Terms of LOI:**

Buyer shall have a six (6) month exclusive right to access and complete its due diligence on the property for the purposes of developing and building a new hotel. The proposed hotel will have between 70-85 rooms. Seller shall make available to Buyer all documents requested by Buyer in its possession, including but not limited to: environmental reports, soil reports / testing results, engineering reports, surveys, blueprints, physical condition reports, insurance policy, etc. Earnest money will be refundable to Buyer until the expiration of the LOI.

During this due diligence period, the buyer and seller will work to execute a Purchase and Development Agreement in a form and content that will be mutually agreeable to both parties. If these mutually acceptable agreements are not executed by both parties on or before six months from the execution date of this LOI, neither party shall have any further obligation to continue negotiating with the other.

**Hotel Market**

**Study:** Rebound Hospitality will pay for a Hotel Market Study for the Grand Rapids Market. If Rebound Hospitality proceeds with the development and completion of a new hotel in Grand Rapids, the Grand Rapids EDA hereby agrees to reimburse Rebound Hospitality up to six thousand dollars (\$6,000).

**Purchase & Development**

**Agreement:** The parties will work to finalize a mutually acceptable Purchase and Development Agreement prior to the expiration of the six (6) month due diligence period. During this time, the Seller will cease marketing the property and not accept / review any new offers on the property.

**Closing:** A Purchase and Development Agreement must be executed prior to the expiration of this LOI with a closing date within 60 calendar days of the expiration of the LOI.

**Condition of Purchase:**

**Public Sidewalk** Buyer responsibility, upon purchase and development, to construct a 6' wide public sidewalk along the north side of 2<sup>nd</sup> St N adjacent to the land/premises.

**Non-Binding:** This letter constitutes a summary of some key business terms and does not contractually oblige either party to the other. All final terms and conditions, including closing details and other matters of due diligence shall be included in a Purchase and Development Agreement to be executed by both parties.

If the terms outlined above are agreeable to you, please indicate by signing below and returning to the undersigned below and we will commence our due diligence. Thank you for your consideration, and we look forward to working on this transaction and project with you.

Best,



Brett D. Reese, CEO  
Rebound Hospitality  
(952) 200-1740

Seller: Grand Rapids Economic Development Authority

By: \_\_\_\_\_

Its: \_\_\_\_\_

Accepted to this day \_\_\_\_ of \_\_\_\_\_, 2017