

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, April 27, 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, April 13, 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 April 13, 2017 regular meeting.
5. Consider approval of claims
6. Consider adopting a resolution approving the Third Amendment to the Purchase and Development Contract with Grand Rapids Hotel Partners LLC.
7. Updates:
 - a. GREDA/IEDC Commercial Lease Space Inventory
 - b. Follow up on discussion MN Real Estate Journal Micropolitan Summit
8. 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, APRIL 13, 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, April 13, 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, Chris Lynch, Rick Blake, Dale Christy, Michael Stefan, Mike Przytarski, Cory Jackson. Absent: None

SETTING OF REGULAR AGENDA: Approved with addition.

- **Approve payment in the amount of \$2,304.00 to the Itasca County Treasurer for the 2017 property taxes on the airport hangar.**

APPROVAL OF MINUTES:

MOTION BY COMMISSIONER STEFAN, SECOND BY COMMISSIONER LYNCH TO APPROVE THE MINUTES OF THE MARCH 23, 2017 REGULAR MEETING. The following voted in favor thereof: Lynch, S. Blake, Christy, R. Blake, Jackson, Stefan, Przytarski. Opposed: None, passed unanimously.

APPROVAL OF CLAIMS:

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER JACKSON TO APPROVE CLAIMS IN THE AMOUNT OF \$17,094.37.

League of MN Cities Ins Trust	\$1,553.00	Itasca County Treasurer	\$170.50
Kennedy & Graven	\$571.17	Minnesota Energy Resources	\$62.42
Northern Star Cooperative Service	\$329.22	P.U.C.	\$39.41
Tru North Electric LLC	\$140.00	Viking Electric Supply Inc	\$149.51
JBS Holdings	\$14,079.14		

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

Approve payment in the amount of \$2,304.00 to the Itasca County Treasurer for the 2017 property taxes on the airport hangar.

MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER STEFAN TO APPROVE PAYMENT IN THE AMOUNT OF \$2,304.00 TO THE ITASCA COUNTY TREASURER FOR THE 2017 PROPERTY TAXES ON THE AIRPORT HANGAR. The following voted in favor thereof: S. Blake, R. Blake, Przytarski, Lynch, Christy, Stefan, Jackson. Opposed: None, passed unanimously.

Consider approving the GREDA 2016 Annual Report.

Community Development Director Mattei did a nice job putting together the annual report.

MOTION BY COMMISSIONER R. BLAKE, SECOND BY COMMISSIONER PRZYTARSKI TO APPROVE THE 2016 GREDA ANNUAL REPORT. The following voted in favor thereof: R. Blake, Stefan, Jackson, S. Blake, Christy, Lynch, Przytarski. Opposed: None, passed unanimously.

Updates:

Central School Advertising Request- Staff and President Blake met with one of the tenants making the request and asked that she put together a proposal for the GREDA to review.

Block 20/21 sale to Grand Rapids Hotel Partners- The developer is still working on putting together his funding package. He is about one million short at this time but has a meeting set up in Arizona this week with potential investors.

There being no further business the meeting adjourned at 4:08 p.m.

Respectfully submitted:

Aurimy Groom, Recorder

DATE: 04/20/2017
 TIME: 14:44:10
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 04/27/2017

VENDOR #	NAME	AMOUNT DUE
EDA - CAPITAL PROJECTS		
DOWNTOWN REDVELPMNT BLK 18-21		
1105530	KENNEDY & GRAVEN	1,464.17
TOTAL DOWNTOWN REDVELPMNT BLK 18-21		1,464.17
TOTAL UNPAID TO BE APPROVED IN THE SUM OF: \$		1,464.17
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920060	ITASCA COUNTY TREASURER	2,384.50
1621130	P.U.C.	1,250.16
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF: \$		3,634.66
TOTAL ALL DEPARTMENTS		5,098.83

EDA RESOLUTION NO. _____

RESOLUTION APPROVING THIRD AMENDMENT TO PURCHASE AND DEVELOPMENT CONTRACT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND GRAND RAPIDS HOTEL PARTNERS L.L.C.

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

Section 1. Recitals.

1.01. The Authority and Grand Rapids Hotel Partners L.L.C. (the "Developer") executed a certain Purchase and Development Contract, dated as of July 14, 2016, as amended by a First Amendment thereto dated as of October 18, 2016 (as so amended, the "Contract"), whereunder the Authority agreed to convey certain property described in the Contract (the "Development Property") to the Developer in connection with the development of a hotel (the "Minimum Improvements") on the Development Property.

1.02. Due to unanticipated delays, the Developer has requested and the Authority has agreed to amend the Contract to extend (i) the date for closing on the transfer of the Development Property from the Authority to the Developer; and (ii) the dates of the commencement and completion of construction of the Minimum Improvements.

Section 2. Third Amendment Approved.

2.01. The Third Amendment to Purchase and Development Contract (the "Amendment") as presented to the Board is hereby in all respects approved, subject to modifications that do not alter the substance of the transaction and that are approved by the President and Executive Director, provided that execution of the Amendment by such officials shall be conclusive evidence of approval. The President and Executive Director are hereby authorized to execute, on behalf of the Authority, the Amendment.

Adopted by the Grand Rapids Economic Development Authority on April 27, 2017.

President

Attest:

Secretary

THIRD AMENDMENT TO PURCHASE AND DEVELOPMENT CONTRACT

This Third Amendment to Purchase and Development Contract (the “Agreement”) is made as of _____, 2017, by and between the GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota (the “Authority”) and GRAND RAPIDS HOTEL PARTNERS L.L.C., a Minnesota limited liability company (the “Developer”).

WHEREAS, the Authority and the Developer entered into that certain Purchase and Development Contract dated as of July 14, 2016, recorded in the office of the Itasca County Recorder on March 20, 2017 as Document No. A000711329 and in the office of the Registrar of Titles of Itasca County as Document No. T000063187, as amended by a First Amendment dated October 18, 2016, recorded in the office of the Itasca County Recorder on March 20, 2017 as Document No. A000711330 and in the office of the Registrar of Titles of Itasca County as Document No. T000063188, and a Second Amendment dated February 9, 2017, recorded in the office of the Itasca County Recorder on March 20, 2017 as Document No. A000711331 and in the office of the Registrar of Titles of Itasca County as Document No. T000063189 (collectively, the “Contract”) providing, among other things, for the construction of certain improvements (the “Minimum Improvements”) on the property legally described as attached hereto as **Exhibit A** (the “Development Property”); and

WHEREAS, the parties have determined to further extend the date of closing on the conveyance of the Development Property and the dates of commencement and completion of construction of the Minimum Improvements.

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

1. Amendment to Section 3.3(b) of the Contract. Section 3.3(b) of the Contract is amended as follows:

(b) The closing on conveyance of the Development Property from the Authority to the Developer (“Closing”) shall occur upon satisfaction of the conditions specified in this Section, but no later than August 1, 2017, or such later date as the parties mutually agree in writing; provided, however, that if all of the foregoing conditions have not been satisfied or waived on or before Closing, either the Authority or Developer may terminate this Agreement upon

written notice to the other party. Thereafter neither party shall have any obligations or liability to the other hereunder.

2. Amendment to Section 4.3 of the Contract. Section 4.3 of the Contract is amended as follows:

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements by September 1, 2017, and substantially complete construction of the Minimum Improvements by August 1, 2018. All work with respect to the Minimum Improvements to be constructed on the Development Property shall substantially conform to the Construction Plans as submitted by Developer and approved by the Authority.

3. Amendment to Section 4.4 of Contract. The last sentence of Section 4.4 of the Contract is amended, as follows:

“The Developer must substantially complete construction of the Public Improvements by August 1, 2018.”

Developer agrees for itself, its successors and assigns, and every successor in interest to the Development Property, or any part thereof, that Developer, and such successors and assigns, shall promptly begin and diligently prosecute to completion the development of the Development Property through the construction of the Minimum Improvements thereon, and that such construction shall in any event be commenced within the period specified in this Section 4.3 of this Agreement. Subsequent to conveyance of the Development Property, or any part thereof, to Developer, and until construction of the Minimum Improvements has been completed, Developer shall make reports, in such detail and at such times as may reasonably be requested by the Authority, as to the actual progress of Developer with respect to such construction.

4. Miscellaneous. Except as amended by this Amendment, the Contract shall remain in full force and effect. Upon execution, Developer shall reimburse the Authority for all out-of-pocket costs incurred by the Authority in connection with negotiating, drafting and approval of this Agreement.

(Remainder of this page 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 hereunto duly affixed and Developer has caused this Agreement to be duly executed in its name and behalf on or as of the date first above written.

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Sholom Blake
Its President

By _____
Robert Mattei
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by Sholom Blake and Robert Mattei, the President and Executive Director, respectively, of the Grand Rapids Economic Development Authority, a public body politic and corporate, on behalf of the Authority.

Notary Public

GRAND RAPIDS HOTEL PARTNERS L.L.C.

By _____
Troy J. Hoekstra
Its Chief Manager

STATE OF MINNESOTA)
) SS.
COUNTY OF _____)

The foregoing instrument was acknowledged before me this ____ day of _____, 2017, by Troy J. Hoekstra, the Chief Manager of Grand Rapids Hotel Partners L.L.C., a Minnesota limited liability company, on behalf of the limited liability company.

Notary Public

THIS DOCUMENT DRAFTED BY:

Kennedy & Graven, Chartered (MNI)
470 US Bank Plaza
200 South Sixth Street
Minneapolis, MN 55402
(612) 337-9300

EXHIBIT A

DEVELOPMENT PROPERTY

Real property in the City of Grand Rapids, County of Itasca, State of Minnesota, described as follows:

Parcel 1:

The South Half of Block Twenty (20), Town of Grand Rapids, Minnesota, according to the plat thereof on file and of record in the office of the Register of Deeds, of Itasca County, Minnesota, AND the West Half (W1/2) of vacated 2nd Avenue East lying adjacent to the South 125 feet (S 125) of Block Twenty (20) LESS that part conveyed by Document No, 45251, described as follows: The West 220 feet of the South half of Block 20, Town of Grand Rapids.
(Torrens Cert. No. 23062)

Parcel 2:

That portion of Block Twenty-one (21), Town of Grand Rapids, AND the vacated North-South alley lying within Block 21, lying South and West of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24) and the East Half (E1/2) of vacated 2nd Avenue East lying adjacent to: Lots Twenty thru Twenty-four (20-24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

Less and Except that part of Lot 19, Block 21, according to the Plat of Grand Rapids on file in the office of the Itasca County Recorder, lying southwesterly of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Block 21.

AND

That portion of the West Half (W1/2) of Lot Twenty (20), Block Twenty-one(21), Town of Grand Rapids, lying northeast of a line extending from a point along the East boundary of Block 21, Thirty (30) feet North of the Southeast corner of Lot One (1) to a point along the West boundary of Block 21, One Hundred Thirty (130) feet North of the Southwest corner of Lot Twenty-four (24), Block 21, according to the recorded plat thereof on file and of record in the office of the Registrar of Titles of Itasca County, Minnesota.

AND

That part of the North Half (N1/2) of vacated Second Street North lying adjacent to Blocks Twenty-one (21) and Twenty-four (24) and lying northeast of the following described line : beginning at a point along the north line of Block Twenty-four (24) lying One Hundred five (105) feet West of the Northeast corner of said Block; thence Northwesterly to the southwest corner of said Lot Twenty-four (24), Block Twenty-one (21) and there terminating.

(Torrens Cert. No. 24386)

Parcel 3:

That part of the South Half of vacated Second Street North, lying between Blocks 21 and 24, of the Plat of Town of Grand Rapids, Itasca County, Minnesota, lying northeasterly of the following described line: beginning at a point on the north line of said Block 24, 105 feet West of the northeast corner thereof; thence northwesterly to the southwest corner of Lot 24, Block 21, said Town of Grand Rapids.

(Abstract)



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

Dear Commercial Property Owner,

The Itasca Economic Development Corporation (IEDC) and the Grand Rapids Economic Development Authority (GREDA) are collaborating on a project that will benefit our common mission of supporting business development in our community.

The project involves the development of a comprehensive database of commercial properties which offer retail, office and warehouse building space for lease. As you can see within the attached survey, the database will contain some general information about the: location, amount and type of space, whether any space is currently available and most importantly, contact information for the building owner or property manager responsible for leasing.

This database will be very useful in serving our existing and prospective businesses interested in locating, relocating or expanding in our community. Past experience with those businesses has shown us that their task of locating appropriate space to lease for their needs would be much less of a burden if such an inclusive listing of information existed.

If you lease space within your commercial building, regardless of whether any of that space is currently available, we ask that you please complete and return the attached survey by mailing it at your earliest convenience to the Itasca Economic Development Corporation, Attention: Teri Heikkila in the self-addressed envelope included, or you may also scan the completed survey and send it by email to leaseinfo@itascadv.org. If there are points of information within the survey that you don't wish to be shared with the public, simply leave them blank. After this information is compiled, we intend to update it biannually through email contact with you at the address you provide. If there are multiple copies of the survey included, our records indicate that you have more than one building. Please complete one survey for each building.

We thank you for your participation in this project. In addition to helping us support business development in our community, we hope that you see the benefit to you as a commercial property owner, through the increased exposure to your property it will provide.

If you have questions, please feel free to contact Teri Heikkila, from the IEDC, at 218-326-9411, ext. 22.

Sincerely,

Mark Zimmerman
IEDC President/CEO

A handwritten signature in black ink that reads "Rob Mattei".

Rob Mattei
Director of Community Development



CITY OF
GRAND RAPIDS
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Thank you for completing our survey. Please ensure that you highlight the details of the individual that should be contacted with information requests.

Please write clearly all of the information requested below:

Building Owner:	
Lease Contact Name:	
Contact Email:	
Work Phone #:	
Cell Phone #:	
Address:	
City:	
Zip:	

1. What is the total sq ft building space that you lease? _____
2. Please note what the space is suitable for below, check all that apply:

Check Box	Type of Space	Total Space sq ft	Total Space Currently Available sq ft
	Office		
	Retail		
	Warehouse		
	Manufacturing		

3. Do you have dedicated parking? Yes - No (circle answer)