

## GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, November 10, 2016

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, November 10, 2016 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 October 18, 2016 special meeting.
5. Consider approval of claims
6. 2017 Work Plan Development
7. Updates:
8. Adjourn

#### GREDA Members/terms:

Dale Christy – 12/31/16 (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  
SPECIAL MEETING  
TUESDAY, OCTOBER 18, 2016  
AT 3:00 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 Special Meeting of the Grand Rapids Economic Development Authority (GREDA) was called to order on Tuesday, October 18, 2016 at 3:00 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: Rick Blake, Mike Przytarski, Sholom Blake, Michael Stefan, Chris Lynch, Cory Jackson. Absent: Dale Christy.

**APPROVAL OF MINUTES:**

**MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER STEFAN TO APPROVE THE MINUTES OF THE SEPTEMBER 22, 2016 REGULAR MEETING. The following voted in favor thereof: R. Blake, Jackson, S. Blake, Stefan, Lynch, Przytarski. Opposed: None, passed unanimously.**

**APPROVAL OF CLAIMS:**

**MOTION BY COMMISSIONER BLAKE, SECOND BY COMMISSIONER CHRISTY TO APPROVE CLAIMS IN THE AMOUNT OF \$87,603.51.**

Braun Intertec Corporation	\$2,000.00	Cole Hardware Inc	\$48.00
Itasca County H.R.A	\$30,881.56	Itasca County Recorder	\$247.00
Kennedy & Graven	\$1,796.40	P.U.C	\$59.11
Rick's Electric & Data Inc	\$158.28	TNT Aggregates, LLC	\$52,413.16

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

Consider adopting a resolution approving First Amendment to the Purchase and Development Contract between the Grand Rapids Economic Development Authority and Grand Rapids Hotel Partners LLC.

Mr. Hoekstra of United Development Solutions is requesting an extension on the closing date of the purchase and development contract due to unexpected delays.

**MOTION BY COMMISSIONER R. BLAKE, SECOND BY COMMISSIONER LYNCH TO ADOPT A RESOLUTION APPROVING THE FIRST AMENDMENT TO THE PURCHASE AND DEVELOPMENT CONTRACT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND GRAND RAPIDS HOTEL PARTNERS LLC. The following voted in favor thereof: Przytarski, Lynch, S. Blake, Jackson, Stefan, R. Blake. Opposed: None, passed unanimously.**

Consider adopting a resolution approving a Master Lease Agreement by and between Grand Rapids Economic Development Authority, the City of Grand Rapids, Itasca Economic Development Corporation and ACC Manufacturing, Inc.

Community Development Director Mattei provided a power point presentation outlining the project costs and funding sources. The business functions of ACC in the Grand Rapids location will consist of: machining tool molds/masters, fabrication of composite material parts and assembling of parts assemblies for the current production aircraft the Eclipse 550 jet and, to a lesser extent, for their development aircraft. The location of ACC to Grand Rapids will result in the creation of 16 to 22 full time positions that will pay a minimum wage of \$18.00/hour exclusive of benefits. The types of positions to be located consist of: machinists, CNC programmer, CAD designers, Composite Technicians, and General Production.

Dale Christy joined the meeting a 3:40.

**MOTION BY COMMISSIONER R. BLAKE, SECOND BY COMMISSIONER STEFAN TO ADOPT A RESOLUTION APPROVING A MASTER LEASE AGREEMENT BY AND BETWEEN GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY , THE CITY OF GRAND RAPIDS, ITASCA ECONOMIC DEVELOPMENT CORPORATION AND ACC MANUFACTURING, INC. The following voted in favor thereof: R. Blake, Stefan, Jackson, S. Blake, Christy, Lynch, Przytarski. Opposed: None, passed unanimously.**

Consider adopting a resolution approving a Hangar Purchase Agreement with Stanley J and Crystal V. Bostyancic.

7,500 sf hangar located on leased Airport land the purchase price is \$580,000.00. 5 year term beginning 1/1/17, options to renew for two additional 5 year terms.  
Below market lease rates only apply to the initial 5 year term.  
Annual lease rate for years 1 – 3 will be \$2.15/sf plus \$0.50 CAM (\$19,875/yr.)  
Annual lease rate for years 4 – 5 will be \$3.80/sf plus \$0.50 CAM (\$32,250/yr.)  
CAM charge will fund the GREDA land lease with the Airport and insurance costs.  
ACC will pay personal property taxes payable on the hangar and utility charges.  
GREDA's net operating income from the lease payments are designed to cash flow the operations of the hangar, including GREDA's annual debt obligations for the acquisition.

**MOTION BY COMMISSIONER LYNCH, SECOND BY COMMISSIONER PRZYTARSKI TO ADOPT A RESOLUTION APPROVING A HANGAR PURCHASE AGREEMENT WITH STANLEY J AND CRYSTAL V. BOSTYANCIC. The following voted in favor thereof: Przytarski, Lynch, Christy, S. Blake, Jackson, Stefan, R. Blake. Opposed: None, passed unanimously.**

Consider adopting a resolution approving an Itasca County Tax-Forfeited Land Purchase Agreement for real property situated at Highway 2 East and 8<sup>th</sup> Avenue, which are parcels 91-425-2710, 91-425-2650, 91-425-2640 and 91-425-2610.

**MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER CHRISTY TO APPROVE AN ITASCA COUNTY TAX FORFEITED LAND PURCHASE AGREEMENT FOR REAL PROPERTY SITUATED AT HIGHWAY**

**2 EAST AND 8<sup>TH</sup> AVENUE, WHICH ARE PARCELS 91-425-2710, 91-425-2650, 91-425-2640 AND 91-425-2610 in the amount of \$195,364.70. The following voted in favor thereof: R. Blake, Stefan, Jackson, S. Blake, Christy, Lynch, Przytarski. Opposed: None, passed unanimously.**

Consider adopting a resolution approving a Purchase Agreement with Hernesman Brothers Partnership for real property situated at Highway 2 East and 8<sup>th</sup> Avenue, which are parcels 91-425-2710, 91-425-2650, 91-425-2640 and 91-425-2610.

**MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER LYNCH TO APPROVE A PURCHASE AGREEMENT WITH HERNESMANT BROTHERS PARTNERSHIP FOR REAL PROPERTY SITUATED AT HIGHWAY 2 EAST AND 8<sup>TH</sup> AVENUE, WHICH ARE PARCELS 91-425-2710, 91-425-2650, 91-425-2640 AND 91-425-2610 in the amount of \$195,364.70. The following voted in favor thereof: Przytarski, Lynch, Christy, S. Blake, Jackson, Stefan, R. Blake. Opposed: None, passed unanimously.**

Consider approval of a Commercial Building Improvement Loan to Terry LaValle dba State Farm Insurance for improvements to his building at 516 NW 4<sup>th</sup> Ave.

Mr. LaValle's is requesting a \$40,000 CBIL for foundation improvements on his building.

**MOTION BY COMMISSIONER PRZYTARSKI, SECOND BY COMMISSIONER R. BLAKE TO APPROVE A CBIL TO TERRY LAVALLE DBA STATE FARM INSURANCE IN THE AMOUNT OF \$40,000.00. The following voted in favor thereof: Przytarski, Lynch, Christy, S. Blake, Jackson, Stefan, R. Blake. Opposed: None, passed unanimously.**

Consider approving a contribution of \$1,000.00 toward a \$3,200.00 IEDC/APEX led project to have professional photography done for local economic development marketing materials.

Community Development Director Mattei feels this would be a valuable marketing tool.

**MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER STEFAN TO APPROVE A \$1000.00 CONTRIBUTION TOWARD AN IEDC/APEX PROJECT FOR LOCAL ECONOMIC DEVELOPMENT MARKETING MATERIALS. The following voted in favor thereof: R. Blake, Stefan, Jackson, S. Blake, Christy, Lynch, Przytarski. Opposed: None, passed unanimously.**

There being no further business the meeting adjourned at 3:57 p.m.

Respectfully submitted:

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Aurimy Groom, Recorder

DATE: 11/03/2016  
 TIME: 13:34:55  
 ID: AP443000.CGR

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 11/10/2016

VENDOR #	NAME	AMOUNT DUE
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EDA - CAPITAL PROJECTS		
DOWNTOWN REDVELPMNT BLK 18-21		
1105530	KENNEDY & GRAVEN	1,218.50
1900225	SEH-RCM	2,125.00
TOTAL DOWNTOWN REDVELPMNT BLK 18-21		3,343.50
AIRPORT SOUTH INDUSTRIAL PARKS		
0315455	COLE HARDWARE INC	21.48
1105530	KENNEDY & GRAVEN	4,903.50
1813125	RMB ENVIROMENTAL	15.00
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		4,939.98
IND PARK SWAN MACHINE		
1105530	KENNEDY & GRAVEN	63.50
1900225	SEH-RCM	860.00
TOTAL IND PARK SWAN MACHINE		923.50
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$ 9,206.98
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0920055	ITASCA COUNTY RECORDER	138.00
2301700	WASTE MANAGEMENT	71.60
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$ 209.60
TOTAL ALL DEPARTMENTS		9,416.58



## Memorandum:

**DATE:** November 4, 2016

**TO:** GREDA Commissioners

**FROM:** Rob Mattei, Community Development Director

**RE:** 2017 Work Plan Development

The principal item of business for the Grand Rapids EDA regular meeting on November 10<sup>th</sup> will be to begin the development of the 2017 Work Plan. For use in this process, I am attaching a copy of the 2016 Work Plan and a copy of the Economic Development chapter of the new Comprehensive Plan.

To prepare yourself for the meeting, I request that you:

- Review the 2016 Work Plan giving consideration to any unfinished business. Should the unfinished items remain as a priority? If so, what additional GREDA action is appropriate and necessary in 2017?
- Review the Goals within the Economic Development chapter of the Comprehensive Plan. What goals are critical and time sensitive? Which goals should GREDA take the lead on? Which goals should GREDA take a partnering or supporting role in furthering, and what should that role be?
- Make a short list of work items you feel should be discussed/considered by the Authority for inclusion in the 2017 Work Plan. You can use the attached blank form to list your items.
  - The criteria applied to individual work items, when developing work plans over the past several years, are: Community Impact, Chances of Success, Resource Availability, and EDA Ownership.
    - **Community impact:** If the goal is achieved, will the impact be substantial in the community?
    - **Chances of success:** Is the objective reasonably attainable?
    - **Resource availability:** Does EDA/City of Grand Rapids possess adequate resources to achieve this goal?
    - **EDA ownership:** But for the EDA, will this objective be achieved by any other entity, commission, or department? Will the EDA be taking a lead role, a partnering role, or a supporting role?

At next meeting we will:

- List all of the individual work items brought by each member.
- Through discussion, we will determine if some items can be consolidated.

- Through discussion, we will determine if the numbers of issues put on the table are reasonably achievable or if the list should be pared down. If it is agreed the list should be pared down, a consensus as to which items should drop out, will need to be reached.

To prepare for the December 8<sup>th</sup> GREDA meeting, each member will score each work item generated on November 10<sup>th</sup>, for each of the established criteria, on a scale of 1 to 5 (1 being the low end and 5 the high end). The individual scoring by each Commissioner will be forwarded back to me by November 28<sup>th</sup>, so all of the Commissioner's scorings can be tabulated within one spreadsheet.

At the December 8<sup>th</sup> meeting, we will:

- Review and discuss the tabulation and the resulting preliminary ranking
- Commissioners will have the opportunity to discuss, and make a case for work items they feel are important.
- Through consensus, the GREDA will make any final adjustments to the ranking
- Lastly, the GREDA will determine which items will be listed will be listed as GREDA taking a lead role, a partnering role or a supporting role.

Following that meeting, staff will develop a work approach, based on a quarterly timeline, for each priority issue. This will then be presented to the GREDA for final adoption or adoption with additional changes at the first GREDA meeting in January of 2017.

Please call me if you have any questions at 326.7622.

Attachments



# Grand Rapids Economic Development Authority 2016 Work Plan

* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Expand Marketing of GREDA Services	Lead	<ul style="list-style-type: none"> <li>Continue Implementing GREDA Marketing Plan.</li> <li>Present information on the GREDA CBIL program to the Entrepreneur Task Force.</li> <li>Explore a collaboration with IEDC/APEX in joint marketing of GREDA sites, Itasca Eco-Industrial Park and Cohasset Ind. Park.</li> </ul>	<ul style="list-style-type: none"> <li>Continue Implementing GREDA Marketing Plan.</li> <li>Increase GREDA exposure through:               <ul style="list-style-type: none"> <li>Press Releases for SCDP.</li> <li>Press Releases for Block 20/21 project.</li> <li>Press Releases for other projects.</li> </ul> </li> <li>Submit an article to the Herald Review regarding the GREDA Annual Report.</li> </ul>	<ul style="list-style-type: none"> <li>Continue Implementing GREDA Marketing Plan.</li> <li>Increase GREDA exposure through:               <ul style="list-style-type: none"> <li>Press Releases for SCDP.</li> <li>Press Releases for Block 20/21 project.</li> <li>Press Releases for other projects.</li> </ul> </li> <li>Update/publish print brochure – GREDA properties</li> </ul>	<ul style="list-style-type: none"> <li>Continue Implementing GREDA Marketing Plan.</li> <li>Increase GREDA exposure through:               <ul style="list-style-type: none"> <li>Press Releases for SCDP.</li> <li>Press Releases for Block 20/21 project.</li> <li>Press Releases for other projects.</li> </ul> </li> </ul>
Promote existing programs and explore new techniques that promote reinvestment, and curb the effects of blight	Lead	<ul style="list-style-type: none"> <li>Market and complete the SCDP Commercial and Residential Rehab grant projects to achieve maximum impact.</li> <li>Market enhanced CBIL program use with SCDP</li> </ul>	<ul style="list-style-type: none"> <li>Work with Itasca County HRA in the implementation of grant.</li> <li>Market Enhanced CBIL Program Use.</li> </ul>	<ul style="list-style-type: none"> <li>Work with Itasca County HRA in the implementation of grant.</li> <li>Use existing Blandin Foundation PRI of \$175K to fund CBIL projects.</li> </ul>	<ul style="list-style-type: none"> <li>Work with Itasca County HRA in closing/completing the grant.</li> </ul>
Take action to improve Blandin's status as a preferred site for UPM capital investment.	Partner	<ul style="list-style-type: none"> <li>Assist the City, as needed, in their land exchange with Blandin.</li> <li>Consider any other appropriate forms of support.</li> </ul>	<ul style="list-style-type: none"> <li>Consider how property acquired can be a catalyst/asset in goal of supporting housing development.</li> </ul>	<ul style="list-style-type: none"> <li>Review development options for property acquired in the exchange and consider GREDA strategies/roll in implementation.</li> </ul>	<ul style="list-style-type: none"> <li>Assist other private interest in hotel development.</li> </ul>
Support a more viable Downtown Business District through efforts focused on hotel development.	Lead	<ul style="list-style-type: none"> <li>Work with United Development Solutions in executing a Purchase &amp; Development Contract for Block 20/21 Holiday Inn Express hotel development.</li> </ul>	<ul style="list-style-type: none"> <li>Work with United Development Solutions in executing a Purchase &amp; Development Contract for Block 20/21 Holiday Inn Express hotel development.</li> <li>Complete sale with United Development Solutions.</li> </ul>	<ul style="list-style-type: none"> <li>Assist other private interest in hotel development.</li> </ul>	<ul style="list-style-type: none"> <li>Assist other private interest in hotel development.</li> </ul>



* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Support a more viable Downtown Business District through efforts focused on attracting development to the Block 5 site.	Partner			<ul style="list-style-type: none"> <li>With development of Holiday Inn Express on Block 20/21 site in progress, develop and issue a RFP seeking private development interest in Block 5</li> </ul>	<ul style="list-style-type: none"> <li>Follow up on responses to RFP</li> </ul>
Work with the City Council to ensure sustained, adequate levels of funding for present and future GREDA economic development efforts.	Lead		<ul style="list-style-type: none"> <li>Prepare a report of Capital Projects Fund present and anticipated future activity.</li> </ul>	<ul style="list-style-type: none"> <li>Discuss the report with the City Council at a work session.</li> </ul>	
Take actions to make GREDA industrial sites more shovel ready.	Lead		<ul style="list-style-type: none"> <li>Develop cost estimates for clearing and grading ASIP II parcels.</li> <li>Consider a Shovel Ready application to DEED</li> <li>Investigate grant opportunities.</li> </ul>	<ul style="list-style-type: none"> <li>Submit any appropriate grant/funding request</li> </ul>	
Explore additional alternatives to promote Downtown Business District redevelopment.	Lead			<ul style="list-style-type: none"> <li>Convene a small group of Downtown business/property owners to discuss impediments and possible solutions.</li> </ul>	
Support a more viable Downtown Business District through efforts focused on stabilized Central School occupancy.	Lead	<ul style="list-style-type: none"> <li>Convene the Central School leasing subcommittee to assess and revise the ongoing marketing of vacant space and current rent structure.</li> </ul>	<ul style="list-style-type: none"> <li>Present the recommendations and associated marketing costs to full GREDA for consideration.</li> <li>Implement as directed.</li> </ul>	<ul style="list-style-type: none"> <li>Implement as directed.</li> </ul>	<ul style="list-style-type: none"> <li>Implement as directed.</li> </ul>
Support a more viable Downtown Business District through efforts focused on the sale/rehab. of the former Township Hall Building.	Lead		<ul style="list-style-type: none"> <li>Give consideration to supporting the sale and rehab. of the former Township Hall through use of the CBIL program.</li> </ul>	<ul style="list-style-type: none"> <li>Give consideration to supporting the sale and rehab. of the former Township Hall through use of the CBIL program.</li> </ul>	

* Results of Issue Identification and Ranking		* Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	Role	Q1	Q2	Q3	Q4
Assist in creating opportunities for single family housing development.	Partner	<ul style="list-style-type: none"> <li>Staff meet with Grand Rapids HRA to discuss shrinking inventory of single family home sites and the possible need to assume the role of a developer if private interest cannot serve the market.</li> </ul>	<ul style="list-style-type: none"> <li>Explore ways for the HRA, GREDA and the City to collaborate in this area.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>
Consider possible roles for GREDA in assisting MDI in establishing a regional recycling facility.	Partner	<ul style="list-style-type: none"> <li>Respond to contact from MDI as project develops.</li> </ul>	<ul style="list-style-type: none"> <li>Respond to contact from MDI as project develops.</li> </ul>	<ul style="list-style-type: none"> <li>Respond to contact from MDI as project develops.</li> </ul>	<ul style="list-style-type: none"> <li>Respond to contact from MDI as project develops.</li> </ul>
Provide input into the Arts & Culture Commission study regarding the potential need for an entertainment venue on the Mississippi River.	Partner	<ul style="list-style-type: none"> <li></li> </ul>	<ul style="list-style-type: none"> <li>Provide input into the study's public process as it pertains to downtown and riverfront development plans</li> </ul>	<ul style="list-style-type: none"> <li>Provide input into the study's public process as it pertains to downtown and riverfront development plans.</li> </ul>	<ul style="list-style-type: none"> <li></li> </ul>

# E CONOMIC DEVELOPMENT

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The purpose of the economic development element is to describe the current state of the economy, identify assets and barriers for economic development, and discuss areas that provide opportunities for economic development. It functions as a blueprint for achieving community objectives by translating the Grand Rapids' broader vision and goals into economic initiatives consistent with its position in the regional context. Furthermore, it provides greater visibility to Grand Rapids' economic development strategy by providing a specific place to discuss the community's economic need in relationship with strategies for meeting that need. Finally, it allows for the assembly of economic data (see Appendix A), along with an identified vision, and goals, objectives, and strategies, and places economic development within the context of the City's other goals and policies.

Grand Rapids, with a 2000 population of 7,764 (2000 US Census), functions as a regional center providing employment opportunities, retail and service options, government services, health and professional services, and cultural amenities for some 30,000 year-round residents of the region. In addition, the city functions as a service area for significant numbers of seasonal visitors to the region. The City of Grand Rapids supplies, maintains, and regulates much of the infrastructure necessary to accommodate this regional function, and its policies and actions help influence the direction of economic development within the larger region. Recognizing the important function the City plays in the regional context, it seeks to better understand its role in regional economic development and develop policies and strategies that are commensurate to that role. To this end, the Jobs 2020 private sector initiative, facilitated by the Itasca Development Corporation (IDC), is considered a point of departure for the discussion of the Grand Rapids economy; Jobs 2020 will result in a regional strategy in which Grand Rapids will have a significant role to play.

The cultivation of the economic development process was entrusted to a subset of the Comprehensive Plan Steering and Technical Advisory committees, the economic development focus group. The Steering Committee members of the focus group include two at large community representatives, a representative of economic development, a representative of manufacturing, and a representative of the retail/service industry. The Technical Advisory Committee members of the focus group include a representative of the South Central Intergovernmental Planning Board, a representative of the Grand Rapids Area Chamber of

Commerce, a representative of the Grand Rapids Economic Development Authority (EDA), and a representative of the Grand Rapids Public Utilities Commission.

The economic development process consisted of a textual overview of the Grand Rapids economy, a series of three focus group meetings, a presentation to the Steering Committee, which afterwards recommended it to the City Council for adoption, and review by the EDA for comment.

The overview of the Grand Rapids economy was provided to focus group members prior to the first focus group meeting and underwent several iterations with guidance from the focus group. The final iteration of the economic overview can be found in appendix A.

The first of the three focus group meetings consisted of presentations by three economic development professionals affiliated with the University of Minnesota Extension Service and a strengths, weaknesses, opportunities, and threats (SWOT) analysis facilitated by University of Minnesota Extension Service staff. The panel of presenters included Liz Templin, a Regional University of Minnesota Extension Service Educator, who shared a brief overview of community-based economic development strategies based on national research; Dr. Tom Stinson, an Extension Specialist, Associate Professor of Agricultural and Applied Economics, and Minnesota State Economist since 1987, who gave an overview of the state and national economies and provided insight about the Grand Rapids economy in relation to them; and Lee Munich, a Senior Fellow at the Hubert H. Humphrey Institute of Public Affairs and director of the Institute's State and Local Policy Program, who presented the results of the Northeast Minnesota Industry Cluster Study. The second and third meetings consisted of the identification of land for potential industrial expansion and the development of objectives, strategies, and action steps associated with the six goals identified during the SWOT analysis.

The community residents, business people, and economic development professionals who participated in the economic development focus group meetings fashioned the goals, objectives, strategies, and action steps that follow. In doing so, they drew upon their own experience, community input through community meetings and the community survey, direct input from their planning constituents, and information contained in the economic overview. The intention of the economic overview was not to lead focus group members toward a preconceived set of goals and objectives. Rather, it was to inform them about the local economy and about previous efforts that sought to understand or guide it.

Six discernable themes can be teased from the economic development planning process that are reflected to some extent in the goals, objectives, strategies, and action steps. These themes include the following:

- ◆ The notion that job growth comes primarily from the growth and expansion of existing area businesses rather than from newly located businesses
- ◆ That the development and nurturing of industry clusters are important sources of jobs and prosperity
- ◆ That quality of life is important to economic health
- ◆ That the expansion and promotion of affordable housing is an important element retaining and attracting younger workers and families
- ◆ That planned development can promote economic development when properly implemented
- ◆ That Grand Rapids is an important part of a larger region

The notion that job growth comes primarily from the growth and expansion of existing business rather than from newly located business is an accepted proposition in current economic development thinking. This notion was the subject of discussion during the economic development focus group meetings and is clearly reflected in goal number one, 'retain and enhance existing businesses', and its associated objectives, strategies, and action steps. Further, there was little interest among focus group members concerning the pursuit of business attraction, except as it relates to the enhancement of industry clusters, which arguably falls within the purview of support and enhancement of local businesses.

The development and nurturing of industry clusters was seen as a fundamental economic development pursuit, given the three major clusters associated with the Grand Rapids region. Industry clusters were the topic of the presentation given by Lee Munich during the first economic development meeting. It was the subject of the Northeast Minnesota Industry Cluster Study reviewed during the previous work section of the economic overview and an important aspect of the approach. Synergy was discussed in reference to the academic papers also reviewed during the previous work section. Finally, the importance of industry clusters to the Grand Rapids economy is reflected in Goal 2, "Use the City's available resources to strengthen economic clusters" and its associated objectives, strategies and action steps.

Although the idea that 'quality of life' is important to economic health is not explicitly discussed in the economic overview, it was a topic of discussion during

focus group meetings. The notion of quality of life is associated with good schools, cultural and recreational amenities, the beauty of the natural environment, and affordable housing, among others. The concern for quality of life as it influences economic development is expressed in the objectives, strategies, and action steps associated with goal three, 'development of the riverfront', goal four, 're-development of a viable downtown', and goal five, 'provide affordable housing opportunities', albeit not explicitly so.

The expansion and promotion of affordable housing as an important element in retaining and attracting younger workers and families was explicitly discussed during focus group meetings. The discussions concerned the aging population of Grand Rapids as was identified in the economic overview and the implications that aging population has for both the long-term viability of the community and the availability of a large enough pool of workers to meet the needs of local employers into the future. Goal five, 'provide affordable housing opportunities', and its associated objectives, strategies, and action steps directly addresses this concern.

An implicit theme that ran throughout the economic development planning process is that planned development can promote economic development when properly implemented. Just because the economic development element is an important part of the comprehensive planning process it is not necessarily ipso facto evident that planned development will promote economic development. However, there was consensus among focus group members that good planning coupled with earnest implementation efforts can indeed do so. The objectives, strategies, and actions steps associated with goal number six, 'maintain the Comprehensive Plan as the guide for achieving planned growth and development', reflect this view. They seek action on previous planning efforts that are yet to be implemented, went well beyond the immediate process in their scope, require regular updates to the economic development element, and request regular implementation updates from the City.

Finally, the economic development element recognizes the important function the City of Grand Rapids plays within the larger region. Much of the information and analysis contained in the economic overview is regional in scope. The previous work reviewed as part of the overview all had the Grand Rapids region as its focus, the demographic and economic data reported both local and regional data, and the economic base analysis was conducted with data at the county level. Throughout the economic development process, focus group members remained cognizant of Grand Rapids' function as a central place within the context of the larger region. Thus, this regional function was a theme

throughout the economic development planning process and is clearly reflected in the objectives, strategies, and action steps associated with several of the larger economic development goals.

The following goals, objectives, strategies, and action steps do reflect the personalities and interests of focus group members to some extent. However, the group did earnestly consider the welfare of the community and the greater good from the viewpoint of economic development.



## Economic Development Goals, Objectives, Strategies, and Action Steps

### **Goal 1: Retain and enhance existing businesses**

*Objective 1: Seek to understand and address the needs of existing businesses.*

Strategy 1: Conduct an ongoing Business Retention and Expansion (BRE) Program.

#### Action Steps:

1. Collaborate with "Grow Itasca" through the Grand Rapids Economic Development Authority (EDA) and receive periodic updates.
2. Maintain a positive and responsive working relationship with the Chamber of Commerce, IDC and Jobs 2020, Business Roundtable, and similar organizations.

*Objective 2: Make business feel welcome.*

Strategy 1: Collaborate with other development organizations.

#### Action Steps:

1. Promote close cooperation between the City and the various economic development organizations and promote the definition of the roles of those organizations to reduce duplication of efforts.
2. Develop methodology of measuring the feeling of "welcomeness" among local businesses through a collaborative effort between the EDA and IDC and Jobs 2020.
3. Improve communications between government and the business community by hosting/providing an annual "public/private summit" to enhance communication.

Strategy 2: Buy local whenever feasible.

#### Action Steps:

1. Review purchasing practices among local businesses and government.
2. Promote/support consumer promotion/education program.

*Objective 3: Seek to improve customer service throughout the City.*

Strategy 1: Proactively set example of improved customer service for local business.

Action Steps:

1. Conduct a customer service training program for City staff and offer such training to other local public and private entities.

*Objective 4: Support growth of existing businesses.*

Strategy 1: Maintain a proactive Economic Development Authority (EDA).

Action Steps:

1. Maintain knowledge of new State and Federal policies/development tools and take advantage of them as appropriate to leverage local economic development.
2. Explore public/private/non-profit partnership opportunities.
3. Appoint and train experienced EDA members

*Objective 5: Maintain and support a healthy infrastructure.*

Strategy 1: Maintain up-to-date capital improvement plan (CIP)

Action Steps:

1. Fund implementation/construction of CIP priorities while remaining fiscally responsible.

Strategy 2: Enhance working relationship between City, Public Utility Commission (PUC), and other public entities.

Strategy 3: Support the presence of high-speed/high-volume broadband to businesses in City at competitive rates.

**Goal 2: Use the City's available resources to strengthen economic clusters**

*Objective 1: Improve individual factors that influence each cluster.*

Strategy 1: Assess the forest products industry and make specific improvements to the business climate.

Action Steps:

1. Review Governor's Task Force Report and implement items under local control.

2. Use Chambers Forestry Affairs Committee, Blandin Foundation, IDC and JOBS 2020, and others as appropriate to augment rapport with additional items under local control.

Strategy 2: Assess tourism industry in Itasca County.

Action Steps:

1. Working from University of Minnesota Extension Office report on tourism, invite IDC and Jobs 2020 Tourism Task Force to complete SWOT analysis of Itasca County tourism industry.
2. Support the establishment of an identity/brand for Itasca County tourism.

Strategy 3: Assess medical services industry in Itasca County.

Action Steps:

1. Meet with medical service providers, IDC and Jobs 2020, Itasca Community, and other stakeholders to assess what the City can do to assist in the development of the medical service industry.

*Objective 2: Identify and leverage synergies among clusters.*

Strategy 1: Identify common assets – forests, roads, lakes and rivers, cultural assets, U of M North Central Research and Outreach Center, Forest History Center, among others.

Action Steps:

1. Identify a natural owner of this project.
2. Charge this "natural owner" with completing this assignment in 3 months.

Strategy 2: Plan actions that promote uses of common assets for the benefit of multiple clusters.

*Objective 3: Promote specific opportunities of Itasca County forestry/tourism synergy.*

Strategy 1: Build awareness of forestry and tourism synergy within Itasca County

Action Steps:

1. Convene IDC and JOBS 2020 forum in 2004 to build awareness of forestry/tourism synergy.
2. Develop marketing plan in collaboration with existing organizations and governmental units.
3. Implement the marketing plan.

Strategy 2: Build awareness outside of Itasca County.

Action Steps:

1. Develop and implement an external marketing plan.
2. Pool resources within the County for implementation.

**Goal 3: Development of the Riverfront**

*Objective 1: Agree on a land use plan for various sections and shorelines of the river.*

Strategy 1: Build consensus for development of river segments.

Action Steps:

1. *Review and update, if necessary, "Riverfront Development Task Force Report."*
2. *Formalize the acceptance of the plan. (Incorporate into land use section of this Comprehensive Plan).*

*Objective 2: Implement the plan.*

Strategy 1: Identify and assign responsibility for developing each segment of the river.

Action Steps:

1. Review role of the Riverfront Development Task Force.
2. Assign responsibility for implementing those parts of the plan that are outside the scope of the Task Force, or are not being advanced.

Strategy 2: Clarify City of Grand Rapids' responsibility for plan implementation and monitoring.

Action Steps:

1. Identify natural owner for implementation and monitoring.
2. Provide quarterly updates from the "natural owners" to the City Council.

**Goal 4: Develop and Enhance the City's Business/Industrial Districts**

*Objective 1: Re-develop a viable Downtown*

Strategy 1: Create a vision for Downtown (Timeline - 1 year Total)

Action Steps:

1. Reconvene Downtown Business Council.
2. Evaluate what is successful and not successful now in Grand Rapids, and why.
3. Identify comparable cities with “successful” downtowns to benchmark.
4. Visit these sites.
5. Agree on types of businesses that will thrive in downtown Grand Rapids.
6. Convene appropriate stakeholders to review benchmark data and create the written vision document.
7. Obtain needed public and private approvals.

Strategy 2: Implement and promote a common theme that supports the vision.

Action Steps:

1. Review and develop and implement design standards for the CDB (see Grand Rapids Downtown Redevelopment Design Standards, Blocks 18-21).

Strategy 3: Provide necessary infrastructure.

Action Steps:

1. Identify needed infrastructure for orderly development of the downtown vision. (Covered in detail under Goal 6: Planned Growth and Development - Speed up trains through town, Broad band, District heating, water pressure, overpass/bypass, etc.)

Strategy 4: Develop funding sources for implementation.

Action Steps:

1. Develop a public/private investment fund.
2. Encourage downtown development that fits the plan and discourage development that falls outside the plan.
3. Pursue Small Cities Development Program funding through the Minnesota Department of Employment and Economic Development for the rehabilitation of downtown commercial properties.

Strategy 5: Work with existing businesses to improve and maintain office/storefronts.

Action Steps:

1. Continue Storefront Renovation Loan Program.
2. Enforce present ordinances to improve storefronts.
3. Adopt ordinances to ensure maintenance of properties.

*Objective 2: Enhance the East and West TH2, TH169 Business District*

Strategy 1: Encourage Use of the City Storefront Renovation Loan Program

Action Steps:

1. Direct mail information on Program to commercial properties

Strategy 2: Support the implementation of TH2 objectives in the 2002 Grand Rapids

Area Transportation Plan Update

Action Steps:

1. Promote the development of a new access to 3<sup>rd</sup> St. N. industrial area
2. Promote the development of a pedestrian friendly streetscape along TH2
3. Promote the consolidation and improvement of railroad crossings to allow for increased train speeds through the City.

Strategy 3: Prepare for District Heating Asset

Action Steps:

1. Be prepared to work with developers where district heating may be used if district heating becomes a possibility.

*Objective 3: Create new industrial business opportunities through industrial park development in the Airport South and Blandin West JOBZ areas.*

Strategy 1: Prepare a development plan

Action steps:

1. Assess land acquisition costs
2. Develop a plan for relocation of existing occupants of the area.
3. Request a Feasibility Report from the City Engineer to assess the costs for infrastructure extensions.
4. Study options for platting or re-platting of JOBZ area property.
5. Compile list of available funding sources for land and infrastructure expenses.



Strategy 2: Implement Development Plan

Action steps:

1. Negotiate and acquire property.
2. Contract for the development of a new industrial subdivision and coordinate with the Planning Commission and City Council in its review and approval.
3. Initiate the rezoning of property from Agricultural to Industrial.
4. Contract for the design and construction of infrastructure.
5. Work with IDC in development and implementation of a marketing plan for attracting business relocation to the JOBZ area.

*Objective 4: Encourage the expansion of industries in the City's existing industrial parks into undeveloped lands included within the Industrial Parks JOBZ area.*

Strategy 1: Initiate discussion with existing industries

Action Steps:

1. Explain the benefits of the JOBZ program
2. Discuss current land prices
3. Address concerns

**Goal 5: Provide affordable housing opportunities**

*Objective 1: Increase knowledge of housing issues in our community.*

Strategy 1: Identify stakeholders in the housing field.

Action steps:

1. Survey the realtors in the City and determine the largest demand for housing that they are not able to meet.
2. Monitor possible future building sites, i.e.: Old Middle School, and Old Hospital sites.
3. Refer to the 2003 Housing Study for housing demand.
4. Work with the private sector in developing housing.

Strategy 2: Obtain periodic reports and updates from the City's HRA.

Strategy 3: Obtain periodic reports and ongoing dialogue on current housing trends and issues from advisory groups such as the Itasca Housing Coalition.

Action steps:

1. Focus on housing issues in the City of Grand Rapids through dialogue and trends.
2. Develop projects and implement, as needed.

Strategy 4: Identify and develop strategic relationships with private and public housing development groups.

**Objective 2: Support the improvement of existing housing conditions.**

Strategy 1: Work creatively and collaboratively with partners in housing to structure financial options for affordable housing.

Action steps:

1. Work with entities such as GMHR, MN Housing Partnerships, lending institutions, and bond consultants.
2. Consider the use of TIF for the development of affordable housing projects.
3. Structure an RFP to private sector developers.

Strategy 2: Identify action steps and role definition of the City Council and HRA.

Strategy 3: Support housing development and redevelopment strategies.

Action Steps:

1. Pursue Small Cities Development Program funding through the Minnesota Department of Employment and Economic Development for rehabilitation of owner- and renter-occupied housing.
2. Work with Kootasca in housing rehabilitation.

Strategy 4: Proactively identify and support areas for development of future housing.

Action steps:

1. Develop a database of vacant property for sale.
2. Encourage the development of housing by the private sector.

Strategy 5: Consider development of an equity type proposal (land trust) to insure continued affordable housing.

Action steps:

1. Explore the potential for this strategy with organizations such as GMHF.

2. Meet with other communities that have implemented this type of strategy.

Strategy 6: Build relationships with major area employers to promote public/private partnerships in the development of affordable housing.

**Goal 6: Maintain the Comprehensive Plan as the guide for achieving planned growth and development**

*Objective 1: Update comprehensive plan regularly.*

Action Steps:

1. Convene special session of City Council and appropriate City boards and commissions to annually review plan and compliance.
2. Include plan progress updates in the Mayor's "State of the City" reports.

*Objective 2: Hire expertise to develop zoning master plan and philosophy.*

*Objective 3: Establish City/Private partnerships to accomplish development.*

Strategy 1: Use this comprehensive plan to acquire the human and financial resources needed for future projects.

Action Steps:

1. Submit proposals to Blandin Foundation and other funding sources to fund elements of the plan's implementation.
2. Assign EDA the responsibility of measuring the annual progress toward implementing the plan's economic development element.

Strategy 2: Partner with IDC and JOBS 2020 to optimize resources and align actions on a regional basis.

**GREDA**  
**2017 Work Plan Development**

List of Potential Work Items  
11/10/2016 Meeting

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1. \_\_\_\_\_
2. \_\_\_\_\_
3. \_\_\_\_\_
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10. \_\_\_\_\_

**CITY OF GRAND RAPIDS  
ECONOMIC DEVELOPMENT AUTHORITY  
CAPITAL PROJECTS FUND**

**Schedule of Changes in Revenue, Expenditures, and Fund Balance  
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2016**

<b>FUND BALANCE 1/1/16</b>	\$ 512,453
<hr/>	
<b>REVENUES:</b>	
Taxes	31,883
Supplemental Aid	-
ST/MN-IRRRB Grant	-
Taconite Production Tax	-
Pymt from Govt Unit	50,706
ST/MN DEED Grant	185,211
Nat'l Gas CIAC Fee	10,043
Miscellaneous	150
Interest-Investments	1,808
Interest-Loans	5,153
Principal-Loan Payments	13,850
Loan Proceeds	175,000
Sale of Land held in Inventory	50,706
Developer Asst Reimbursements	88,246
	<hr/>
<b>TOTAL REVENUES</b>	612,754
<b>EXPENDITURES:</b>	
Annual Single Audit Fee	-
Miscellaneous Projects	207
Central School Redevelopment	-
Commercial Building Improvement Loan Program	35,000
Downtown Block 18-21	14,433
Airport South Industrial Parks	113,608
Industrial Park Swan Machine	13,955
Downtown Block 37	-
Ainsworth Facility Redevelopment	77,257
DEED Development Programs	216,092
CIAC Fee Natural Gas Hookup	-
Community Marketing Taskforce	-
St Joseph Redevelopment	-
	<hr/>
<b>TOTAL EXPENDITURES</b>	470,553
<b>2016 REVENUES &gt; EXPENDITURES</b>	142,200
<hr/>	
<b>FUND BALANCE 9/30/16</b>	<u>654,653</u> (1)
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Please Note:

**(1) The Fund Balance includes designations for Com Bldg Imp Loans of \$184,738**

**CITY OF GRAND RAPIDS  
ECONOMIC DEVELOPMENT AUTHORITY**

**COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE  
FOR THE NINE MONTHS ENDING SEPTEMBER 30, 2016**

*With Comparative Totals for the Period Ending September 30, 2015*

	2015 ACTUAL TO 9/30/15	YTD ACTUAL TO 9/30/16	2016 ANNUAL BUDGET	
<b>Fund Balance 1/1/XX:</b>	\$ 69,164	\$ 54,695	\$ 54,695	
<hr/>				
<b>REVENUES:</b>				
Taxes	-	-	-	0%
Supplemental Aid	-	-	-	0%
Interest - Investments	171	143	800	18%
Interest - Loans	-	-	-	0%
Mortgage Payment	-	-	-	0%
Fund Balance Usage	-	-	16,300	0%
<b>TOTAL REVENUES</b>	<u>171</u>	<u>143</u>	<u>17,100</u>	1%
<b>EXPENDITURES:</b>				
Supplies/Materials	-	-	100	0%
Other Services/Charges	14,067	11,999	17,000	71%
<b>TOTAL EXPENDITURES</b>	<u>14,067</u>	<u>11,999</u>	<u>17,100</u>	70%
<b>REVENUES &gt; EXPENDITURES</b>	<u>(13,896)</u>	<u>(11,856)</u>	<u>-</u>	
<hr/>				
<b>FUND BALANCE</b>				
Fund Balance Usage	<u>(13,896)</u>	<u>(11,856)</u>	<u>(16,300)</u>	
<b>FUND BALANCE 09/30/XX</b>	<u>\$ 55,269</u>	<u>\$ 42,839</u>	<u>\$38,395</u>	