

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, April 14, 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, April 14, 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 March 10, 2016 regular meeting
5. Consider approval of claims
6. Conduct a public hearing and consider approval of a Purchase and Development Contract with and conveyance of property to Swan Lease, I.L.C.
7. Consider approving a 2016 Central School lease with Megan Kellin, dba Lake Time Magazine
8. Consider approval of a SCDP Commercial Rehabilitation deferred loan to JBS Holdings of Grand Rapids for improvements to the commercial building located at 415 NW 8th Ave., Suite B.
9. Review and consider approval of the 2015 Annual Report
10. Consider the election of GREDA Officers
11. Updates:
12. 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
REGULAR MEETING
THURSDAY, MARCH 10, 2016
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, January 28, 2016 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, Dale Christy, Rick Blake, Cory Jackson. Absent: Mike Przytarski, Chris Lynch, Michael Stefan.

SETTING OF REGULAR AGENDA: **Approved with addition.**

- **Update Swann Machine**

APPROVAL OF MINUTES:

DRAFT

MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER CHRISTY TO APPROVE THE MINUTES OF THE JANUARY 28, 2016 REGULAR MEETING. The following voted in favor thereof: R. Blake, Jackson, S. Blake, Christy. Opposed: None, passed unanimously.

APPROVAL OF CLAIMS:

MOTION BY COMMISSIONER R.BLAKE, SECOND BY COMMISSIONER JACKSON TO APPROVE CLAIMS IN THE AMOUNT OF \$2,322.36.

Burggraf's Ace Hardware Inc	\$11.99	Kennedy & Graven	\$57.00
Northern Star Cooperative	\$357.12	SEII-RCM	\$1,760.00
Visa	\$30.00	White Ivy Graphic Arts	\$106.25

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

Consider approving a 2016 Central School lease with Visit Grand Rapids.

The new lease with Visit Grand Rapids follows the terms of the current master lease and has a rental rate consistent with the other tenants on the second floor.

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER JACKSON TO APPROVE THE 2016 CENTRAL SCHOOL LEASE WITH VISIT GRAND RAPIDS. The following voted in favor thereof: Christy, R.Blake, S. Blake, Jackson. Opposed: None, passed unanimously.

Consider approval of a Commercial Building Improvement Loan and SCDP Commercial Rehabilitation deferred loan for First Call For Help of Grand Rapids for improvements to the commercial building located at 1007 NW 4th Street.

First Call for Help intends to complete an exterior renovation of their building through replacing siding, doors, windows and potentially the building's furnace, totaling \$67,000. The CBIL would provide \$35,000 and the SCDP would cover the remaining \$32,000 of the total project cost. The Commissioners discussed the project and decided they would like the review committee to approve it as well.

MOTION BY COMMISSIONER CHRISTY, SECOND BY COMMISSIONER R. BLAKE TO APPROVE THE CBIL AND SCDP FIRST CALL FOR HELP LOANS FOR IMPROVEMENTS TO THE COMMERCIAL BUILDING LOCATED AT 1007 NW 4TH STREET PENDING APPROVAL OF THE REVIEW COMMITTEE. The following voted in favor thereof: R. Blake, S. Blake, Jackson, Christy. Opposed: None, passed unanimously.

Updates:

United Development Solutions LOI- Mr. Mattei spoke with Troy Hokestra and they are still working on front end development and layouts. The preliminary drawing provided is a Fairfield Inn rather than a Holiday Inn Express.

Swann Machine- They decided to move forward with building a facility in the Airport South Industrial Park. Mr. Mattei will be working with them on securing a IRRRB Site Development Grant.

There being no further business the meeting adjourned at 4:32 p.m.

Respectfully submitted:

Aurimy Groom, Recorder

EDA BILL LIST - APRIL 14, 2016

DATE: 04/07/2016
 TIME: 16:06:28
 ID: AP443000.CGR

CITY OF GRAND RAPIDS
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 04/14/2016

VENDOR #	NAME	AMOUNT DUE

EDA - CAPITAL PROJECTS		
AIRPORT SOUTH INDUSTRIAL PARKS		
0315455	COLE HARDWARE INC	13.35
0920060	ITASCA COUNTY TREASURER	5,616.00
TOTAL AIRPORT SOUTH INDUSTRIAL PARKS		5,629.35
TOTAL UNPAID TO BE APPROVED IN THE SUM OF:		\$ 5,629.35
CHECKS ISSUED-PRIOR APPROVAL		
PRIOR APPROVAL		
0205640	LEAGUE OF MN CITIES INS TRUST	4,990.00
1415511	NORTHERN STAR COOPERATIVE SERV	269.77
1621130	P.U.C.	43.96
2209665	VISA	349.86
TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF:		\$ 5,653.59
TOTAL ALL DEPARTMENTS		11,282.94



CITY OF
GRAND RAPIDS
ENJOY MINNESOTA'S NATURE

REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #6

Meeting Date: 4/14/16

Statement of Issue:

Conduct a public hearing to consider approval of a Purchase and Development Contract with and conveyance of property to Swan Lease, LLC.

Background:

On February 20, 2014, GREDA received a letter of interest submitted by Swan Machine Inc. expressing interest in the purchase of Lot 5, Block 1 of the plat of Airport South Industrial Park-Phase 1. This 3.3 acre parcel is located at the northwest corner of the intersection of 6th Ave. E. and 33rd St. S., west of the Country Hearth Bread distribution depot.

The proposed Swan Machine project will involve the private construction of a new 10,000 sf. manufacturing facility in the Grand Rapids EDA Airport South Industrial Park. The total estimated construction cost of the building and site work is \$1,295,000.

Our first assistance to Swan Machine in 2013 was to help them find a temporary 7,000 sf, leased space, in Grand Rapids, which currently has in service five CNC milling machines operated by six skilled machinists.

At their Perham headquarters, Swan Machine is co-located in a 53,000 sf building with another company under their ownership by the name of Kit Masters. Swan Machine and Kit Masters have grown from a total of 4 employees in 2003 to now collectively employing over 150 people at an average wage of over \$20/hour, excluding management/ownership positions.

Swan Machine is a job shop that takes direct orders for large and small fabrication runs from a list of medium and large volume clients. Approximately 25% of Swan Machine's business volume is in providing fabrication for Kit Masters, who specializes in medium and heavy duty aftermarket components for large trucks, buses, and construction equipment, with an emphasis on remanufactured fan clutches, and fan clutch rebuild kits. Kit Masters utilizes 11 warehouses, in strategic locations throughout the US, to serve over 1,000 customers in 3,000 ship-to locations worldwide, including recently acquired accounts with two major semi-truck manufacturers.

Darrin Swanson, who was named the 2012 SBA Minnesota Small Business Person of the Year, is the CEO of Kit Masters and Swan Machine. Darrin and his father Keith founded Kit Masters and Swan Machine in 1996 in their garage in Blaine, MN. In 2003 they moved the company to Perham and constructed a 16,000 sq. ft. building which, with the rapid growth of their business, they have since expanded twice. Swan Machine and Kit Masters' quality control and engineering are headed up by brother Craig Swanson and sales and marketing are managed by brothers Brian and Trent.

	<p>The proposed Swan Machine satellite facility will strengthen and diversify the Grand Rapids area economy by providing an estimated 10 to 16 additional jobs for skilled workers, over the next 2 -3 year, that will earn a starting wage of \$17 - \$20/hour, exclusive of employee benefits such as health insurance and 401K retirement. With the rapid growth of both Swan Machine and Kit Masters, which is likely to continue or accelerate with the launch of new product lines, this facility, on this 3.3 acre site, provides a significant growth opportunity for our area, beyond this initial project.</p> <p>As GREDA discussed at a previous meeting, topography of the site, which requires additional excavation, as measured under the <i>GREDA Land Pricing Policy</i>, qualified it for a \$48,636 discount applied to the base asking price of \$25,000/acre. Applied to this 3.26 acre parcel, this equates to a conveyance price of \$32,911.00.</p> <p>There are special assessments totaling approximately \$50,705.00, which will be GREDA's responsibility, however, this expense will be refunded to GREDA by the City from their Neighborhood and Economic Development Fund.</p> <p>The proposed Purchase and Development Contract is with Swan Lease LLC, which a subsidiary holding company of Swan Machine Inc. In summary, the proposed development described in the application, involves the following:</p> <ul style="list-style-type: none"> • Acquisition of Lot 5, Block 1 of the plat of Airport South Industrial Park from GREDA, a 3.26 acre parcel, for the purchase price \$32,911.00. • Construction of a \$10,000 sf manufacturing building valued at approximately \$1,000,000. • GREDA and the City will apply for \$316,000 IRRRB Site Development Grant and that GREDA will act as the general contractor for those grant eligible activities. • Additionally, the Purchase and Development Contract: <ul style="list-style-type: none"> • Grants a two year option to Swan Lease for the purchase the GREDA parcel adjacent to the north side of the property being conveyed. • Requires that any excess excavation material removed from the site during construction will be placed on GREDA parcels on the south side of 33rd St.
<p>Recommendation:</p>	<p>Conduct a Public Hearing to consider entering into a purchase and development contract between the GREDA and Swan Lease LLC.</p> <p>Public Hearing protocol:</p> <ul style="list-style-type: none"> ▪ State the purpose of the public hearing. ▪ Verify that legal notice of the public hearing has been made. ▪ Staff will present the background. ▪ Request public input on the proposed agreement either in favor, or in opposition, and ask that any person from the public wishing to make a statement state their name and

	<p>address for the record.</p> <ul style="list-style-type: none"> ▪ After public input is received, entertain a motion to close the public hearing portion. ▪ Close the public hearing, give final consideration to the agreement and entertain any motion to amend the terms, or motions to approve or disapprove of the agreement in its original or amended form.
Required Action:	<p>If the GREDA finds it advisable to enter into the attached agreement, they should pass a motion adopting the attached resolution approving the purchase and development contract with and conveyance of property to Swan Lease LLC.</p>
Attachments:	<ul style="list-style-type: none"> ▪ Draft resolution approving purchase and development agreement with and conveyance of property to Swan Lease, LLC. ▪ Purchase and Development Contract

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. __

RESOLUTION APPROVING PURCHASE AND DEVELOPMENT CONTRACT BETWEEN THE GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY AND SWANLEASE, LLC, AND APPROVING THE CONVEYANCE OF LAND CONTAINED THEREIN.

WHEREAS, the Grand Rapids Economic Development Authority (the "Authority") has established its Development District No. 1 (the "Development District") within the City of Grand Rapids (the "City"); and

WHEREAS, to facilitate the development of certain property in the Development District, the Authority proposes to enter into a Purchase and Development Contract (the "Contract") between the Authority and Swanlease, LLC, an affiliate of Swan Machine, Inc., (the "Developer"), under which among other things the Authority will convey to Developer certain property described on Exhibit A attached hereto (the "Development Property"); and

WHEREAS, the Authority has on this date conducted a duly noticed public hearing regarding the sale of the Development Property to Developer, at which all interested persons were give an opportunity to be heard; and

WHEREAS, the Authority finds and determines that conveyance by the Authority of the Development Property to the Developer is for a public purpose and is in the public interest because it will further the objectives of the Development District, and that such conveyance has no relationship to the comprehensive plan for the City.

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners ("Board") of the Grand Rapids Economic Development Authority as follows:

1. The Board approves the Contract as presented to the Board, including the provisions for the conveyance of the Development Property therein, 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 documents by the those officials shall be conclusive evidence of their approval.

2. Authority staff and officials are authorized to take all actions necessary to perform the Authority's obligations under the Contract as a whole, including without limitation execution of any deed or other documents necessary to convey the Development Property to Developer or referenced in the Contract.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority this 14th day of April, 2016.

President

ATTEST:

Secretary

EXHIBIT A

Development Property

Lot 5, Block 1, Airport South Industrial Park – Phase 1, Itasca County, Minnesota

EXECUTION DRAFT

PURCHASE AND DEVELOPMENT CONTRACT

By and Between

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

and

SWANLEASE, LLC

Dated as of: April 14, 2016

This document was drafted by:
KENNEDY & GRAVEN, Chartered (MNI)
470 US Bank Plaza
Minneapolis, Minnesota 55402
Telephone: 612-337-9300

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- SCHEDULE C Form of Certificate of Completion
- SCHEDULE D Form of License Agreement

PURCHASE AND DEVELOPMENT CONTRACT

THIS AGREEMENT, made on or as of the 14th day of April, 2016, by and between GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY, a public body corporate and politic and political subdivision of the State of Minnesota (the "Authority"), established pursuant to Minnesota Statutes, Sections 469.090 to 469.1081 (hereinafter referred to as the "Act"); and SWANLEASE, LLC, a Minnesota limited liability company ("Developer").

WITNESSETH:

WHEREAS, the Authority was created pursuant to the Act and was authorized to transact business and exercise its powers by a resolution of the City Council of the City; and

WHEREAS, the City has undertaken a program to promote economic development and job opportunities and to promote the development of land which is underutilized within the City, and in this connection created a development project known as the Development District No. 1 ("Development District") pursuant to Minnesota Statutes, Sections 469.124 to 469.134 (the "Development District Act"); and

WHEREAS, by resolution, the City Council transferred control, authority and operation of the Development District to the Authority, which currently administers the Development District exercising the powers of the City under the Development District Act; and

WHEREAS, pursuant to the Act, the Development District Act and the HRA Act, the Authority is authorized to acquire real property, or interests therein, and to undertake certain activities to facilitate the development of real property by private enterprise; and

WHEREAS, the Authority has acquired certain property described in Schedule A (the "Development Property") within the Development District, and intends to convey that property to Developer for development of an approximately 10,000 square-foot machine shop thereon; and

WHEREAS, the Authority believes that the development of the Development Property pursuant to this Agreement, and fulfillment generally of this Agreement, are in the vital and best interests of the City and the health, safety, morals, and welfare of its residents, and in accord with the public purposes and provisions of the applicable State and local laws and requirements under which the Project has been undertaken and is being assisted.

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:

ARTICLE I

Definitions

Section 1.1. Definitions. In this Agreement, unless a different meaning clearly appears from the context:

“Act” means the Economic Development Authority Act, Minnesota Statutes, Sections 469.090 to 469.108, as amended.

“Affiliate” means with respect to any entity (a) any corporation, partnership, limited liability company or other business entity or person controlling, controlled by or under common control with the entity, and (b) any successor to such party by merger, acquisition, reorganization or similar transaction involving all or substantially all of the assets of such party (or such Affiliate). For the purpose hereof the words “controlling”, “controlled by” and “under common control with” shall mean, with respect to any corporation, partnership, limited liability company or other business entity, the ownership of fifty percent or more of the voting interests in such entity or possession, directly or indirectly, of the power to direct or cause the direction of management policies of such entity, whether through ownership of voting securities or by contract or otherwise.

“Agreement” means this Agreement, as the same may be from time to time modified, amended, or supplemented.

“Authority” means the Grand Rapids Economic Development Authority, or any successor or assign.

“Authority Representative” means the Executive Director of the Authority, or any person designated by the Executive Director to act as the Authority Representative for the purposes of this Agreement.

“Business Subsidy Act” means Minnesota Statutes, Sections 116J.993 to 116J.995, as amended.

“Certificate of Completion” means the certification provided to Developer, or the purchaser of any part, parcel or unit of the Development Property, pursuant to Section 4.4 of this Agreement.

“City” means the City of Grand Rapids, Minnesota.

“Closing” has the meaning provided in Section 3.3(b).

“Construction Plans” means the plans, specifications, drawings and related documents on the construction work to be performed by Developer on the Development Property which (a) shall be as detailed as the plans, specifications, drawings and related documents which are

submitted to the appropriate building officials of the City, and (b) shall include at least the following for each building: (1) site plan; (2) foundation plan; (3) basement plans; (4) floor plan for each floor; (5) cross sections of each (length and width); (6) elevations (all sides); (7) landscape plan; and (8) such other plans or supplements to the foregoing plans as the Authority may reasonably request to allow it to ascertain the nature and quality of the proposed construction work.

“County” means the County of Itasca, Minnesota.

“Developer” means Swanlease, LLC or its permitted successors and assigns.

“Development District” means the Authority’s Development District No. 1.

“Development Property” means the real property so described in Schedule A attached hereto.

“Event of Default” means an action by Developer listed in Article IX of this Agreement.

“Holder” means the owner of a Mortgage.

“Minimum Improvements” means site grading and the construction on the Development Property of an approximately 10,000 square-foot machine shop.

“Mortgage” means any mortgage made by the Developer which is secured, in whole or in part, with the Development Property and which is a permitted encumbrance pursuant to the provisions of Article VIII of this Agreement.

“State” means the State of Minnesota.

“Tax Official” means any County assessor; County auditor; County or State board of equalization, the commissioner of revenue of the State, or any State or federal district court, the tax court of the State, or the State Supreme Court.

“Termination Date” means the earlier of the date of completion by the Developer of the Minimum Improvements or the date of termination of this Agreement as a result of an Event of Default.

“Unavoidable Delays” means unexpected delays which are the direct result of: (i) adverse weather conditions, (ii) shortages of materials, (iii) strikes, other labor troubles, (iv) fire or other casualty to the Minimum Improvements, (v) litigation commenced by third parties which, by injunction or other judicial action, directly results in delays, (vi) acts of any federal or state governmental unit, including legislative and administrative acts, (vii) approved changes to the Construction Plans that result in delays (viii) delays caused by the discovery of any adverse environmental condition on or within the Development Property to the extent reasonably necessary to comply with federal and state environmental laws, regulations, orders or agreements, (ix) delay in the issuance of any license or permit by any governmental entity,

provided application therefor is timely made and diligently pursued by Developer and (x) any other cause or force majeure beyond the control of Developer which directly results in delays.

ARTICLE II

Representations and Warranties

Section 2.1. Representations by the Authority. The Authority makes the following representations as the basis for the undertaking on its part herein contained:

(a) The Authority is an economic development authority duly organized and existing under the laws of the State. Under the provisions of the Act and the HRA Act, the Authority has the power to enter into this Agreement and carry out its obligations hereunder.

(b) The activities of the Authority are undertaken to foster the development of certain real property which for a variety of reasons is presently underutilized, and to stimulate the creation of jobs.

(c) The Authority will cooperate with Developer in obtaining all necessary permits from the City related to construction of the Minimum Improvements.

(d) The Authority will use its best efforts to facilitate development of the Minimum Improvements, including but not limited to cooperating with the Developer in obtaining necessary administrative and land use approvals and construction financing pursuant to Section 7.1 hereof.

(e) Authority has received no written notice or communication from any local, state or federal official that the activities of the Authority or Developer in the Project Area are in violation of any environmental law or regulation. Authority is aware of no facts the existence of which would cause the Development Property to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

Section 2.2. Representations and Warranties by Developer. Developer represents and warrants that:

(a) Developer is a limited liability company duly established and in good standing under the laws of the State of Minnesota, is not in violation of any provisions of its organizational documents or, to the best of its knowledge, the laws of the State, is duly authorized to transact business within the State, has power to enter into this Agreement and has duly authorized the execution, delivery and performance of this Agreement by proper action of its officers.

(b) If Developer acquires the Development Property in accordance with this Agreement, Developer will construct, operate and maintain the Minimum Improvements, or cause the same to be constructed, operated and maintained, in accordance with the terms of this Agreement, the Development Plan and all local, state and federal laws and regulations (including, but not limited to, environmental, zoning, building code and public health laws and regulations).

(c) Developer has received no written notice or communication from any local, state or federal official that the activities of Developer or the Authority in the Project Area would be in violation of any environmental law or regulation (other than those notices or communications of which the Authority is aware). Developer is aware of no facts the existence of which would cause the Development Property to be in violation of or give any person a valid claim under any local, state or federal environmental law, regulation or review procedure.

(d) Developer will construct, or cause to be constructed, the Minimum Improvements in accordance with all local, state or federal energy-conservation laws or regulations.

(e) Developer will timely apply for and diligently pursue all required permits, licenses and approvals, and will meet, in a timely manner, all requirements of all applicable local, state and federal laws and regulations which must be obtained or met before the Minimum Improvements may be lawfully constructed.

(f) To the best of Developer's knowledge and belief, neither the execution and delivery of this Agreement, the consummation of the transactions contemplated hereby, nor the fulfillment of or compliance with the terms and conditions of this Agreement is prevented, limited by or conflicts with or results in a breach of, the terms, conditions or provisions of any partnership or company restriction or any evidences of indebtedness, agreement or instrument of whatever nature to which Developer is now a party or by which it is bound, or constitutes a default under any of the foregoing.

ARTICLE III

Conveyance of Property

Section 3.1. Status of the Property. As of the date of this Agreement, the Authority owns the Development Property and will convey title to and possession of the Development Property to Developer, subject to all the terms and conditions of this Agreement.

Section 3.2. Purchase Price. The purchase price to be paid to the Authority by Developer in exchange for the conveyance of the Development Property shall be \$32,911, payable as follows:

- (i) earnest money in the amount of \$3,291.00, receipt of which the Authority acknowledges upon execution in full of this Agreement; and
- (ii) the balance payable in cash or certified check at Closing (as defined in Section 3.3(b) hereof).

Section 3.3. Conditions of Conveyance. (a) The Authority shall convey title to and possession of the Development Property to the Developer at Closing by quit claim deed substantially in the form set forth on Schedule B to this Agreement (the "Deed"). The Authority's obligation to convey the Development Property to the Developer, and Developer's obligation to purchase the Development Property, is subject to satisfaction of the following terms and conditions:

- (1) Either of the following, as applicable: (i) the Authority having approved financing for construction of the Minimum Improvements in accordance with Article VII hereof, and the Developer having closed on such permanent financing at or before Closing on transfer of title to the Development Property to the Developer; or (ii) the Developer having presented evidence of internal financing in accordance with Article VII hereof, and the Authority having approved such internal financing.
- (2) There is no uncured Event of Default under this Agreement.
- (3) The Authority or applicable governing entity having approved Construction Plans for the Minimum Improvements in accordance with Section 4.2.
- (4) The Developer having reviewed and approved (or waived objections to) title to the Development Property as set forth in Section 3.5 hereof.
- (5) The Developer having reviewed and approved (or waived objections to) soil and environmental conditions as set forth in Section 3.6.
- (6) The City having received the IRRRB Grant as set forth in Section 3.7.

Condition (3) is solely for the benefit of the Authority, and may be waived by the Authority. Conditions (4) and (5) are solely for the benefit of the Developer, and may be waived by the

Developer. Conditions (1), (2) and (6) are for the benefit of both parties, and may be waived by both parties.

(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 June 31, 2016; provided, however, that if all of the foregoing conditions have not been satisfied or waived on or before June 15, 2016, either the Authority or Developer may thereafter terminate this Agreement by ten days written notice. Thereafter neither party shall have any obligations or liability to the other hereunder.

Section 3.4. Place of Document Execution, Delivery and Recording. (a) Unless otherwise mutually agreed by the Authority and Developer, the execution and delivery of all deeds, documents and the payment of any purchase price shall be made at the offices of Developer or such other location to which the parties may agree.

(b) The deed shall be in recordable form and shall be promptly recorded in the proper office for the recordation of deeds and other instruments pertaining to the Development Property. At closing, Developer shall pay: all recording costs in connection with the conveyance of the Development Property; title insurance commitment fees and premiums, if any; and title company closing fees, if any. The Authority shall pay costs of recording any instruments used to clear title encumbrances and state deed tax. There are no special assessments outstanding or pending on the Development Property. The parties agree and understand that the Development Property is exempt from property taxes for taxes payable in 2016.

Section 3.5. Title. (a) As soon as reasonably practical after the date of this Agreement, the Developer, at Developer's sole expense, shall obtain a commitment for the issuance of a policy of title insurance for the Development Property. The Developer shall have twenty (20) days from the date of its receipt of such commitment and a current survey of the Development Property to review the state of title to the Development Property and to provide the Authority with a list of written objections to such title. Upon receipt of the Developer's list of written objections, the Authority shall proceed in good faith and with all due diligence to attempt to cure the objections made by the Developer. Promptly after expiration of the Developer's 20-day review period, or after the date that any title objections have been cured to the reasonable satisfaction of the Developer, the Authority and Developer shall proceed with the conveyance of the Development Property pursuant to Section 3.2 of this Agreement. In the event that the Authority has failed to cure objections within thirty (30) days after its receipt of the Developer's list of such objections, the Developer may (i) by the giving of written notice to the Authority terminate this Agreement, upon the receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, except the Authority shall promptly return to the Developer any earnest money, or (ii) waive any title objections and proceed to closing. The Authority shall have no obligation to take any action to clear defects in the title to the Development Property, other than the good faith efforts described above.

(b) The Authority shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Authority expressly agrees that it will not cause or permit the attachment of any mechanics,

attorneys, or other liens to the Development Property prior to Closing. Upon Closing, the Authority is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of the Authority, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer.

(c) The Developer shall take no actions to encumber title to the Development Property between the date of this Agreement and the time the deed is delivered to the Developer. The Developer expressly agrees that it will not cause or permit the attachment of any mechanics, attorneys, or other liens to the Development Property prior to Closing. Notwithstanding termination of this Agreement prior to Closing, Developer is obligated to pay all costs to discharge any encumbrances to the Development Property attributable to actions of Developer, its employees, officers, agents or consultants, including without limitation any architect, contractor and or engineer.

Section 3.6. Soils, Environmental Conditions. (a) Before closing on conveyance of the Development Property from the Authority to the Developer, the Developer may enter the Development Property and conduct any environmental or soils studies deemed necessary by the Developer. If, at least 10 days before Closing the Developer determines that hazardous waste or other pollutants as defined under federal and state law exist on the property, or that the soils are otherwise unsuitable for construction of the Minimum Improvements, the Developer may at its option terminate this Agreement by giving written notice to the Authority, upon receipt of which this Agreement shall be null and void and neither party shall have any liability hereunder, except the Authority shall promptly return to the Developer any earnest money.

(b) The Developer acknowledges that the Authority makes no representations or warranties as to the condition of the soils on the Development Property or its fitness for construction of the Minimum Improvements or any other purpose for which the Developer may make use of such property. The Developer further agrees that it will indemnify, defend, and hold harmless the Authority, the City, and their governing body members, officers, and employees, from any claims or actions arising out of the presence, if any, of hazardous wastes or pollutants on the Development Property.

Section 3.7. Grant Disbursement. (a) To finance a portion of the costs (the "Grant-Eligible Costs") of necessary site work on the Development Property, including engineering and soft costs for such site work (the "Grant-Eligible Activities"), the City will apply for a grant from IRRRB in the maximum amount of \$316,000 (the "IRRRB Grant"). If the City receives all or a portion of the IRRRB Grant, the remaining paragraphs of this Section will apply.

(b) The City will appoint the Authority as general contractor for the Grant-Eligible Activities on the Development Property and delegate to the Authority the submission and collection of Grant-Eligible Costs from and to the extent of available grant proceeds in accordance with the terms of the Grant Agreement and the terms of this Section. The Developer agrees that at Closing, it will grant a license to GREDA or its agents to enter the Development Property for the purpose of performing the Grant-Eligible Activities substantially in the form of Schedule D attached hereto. Notwithstanding anything to the contrary herein, the Developer agrees and acknowledges that if

Grant-Eligible Costs exceed the amount to be reimbursed under the Grant Agreement or this Section, such excess shall be the sole responsibility of the Developer as described in Section 3.7(h).

(c) All disbursements from the proceeds of the IRRRB Grant will be made subject to the conditions precedent that on the date of such disbursement:

(1) The City has received a written statement from the Authority's authorized representative certifying with respect to each payment: (a) that none of the items for which the payment is proposed to be made has formed the basis for any payment previously made under this Section (or before the date of this Agreement); (b) that each item for which the payment is proposed is a Grant-Eligible Cost; and (c) that the Authority reasonably anticipates completion of the Grant-Eligible Activities in accordance with the terms of this Agreement.

(2) No Event of Default under this Agreement or event which would constitute such an Event of Default but for the requirement that notice be given or that a period of grace or time elapse, shall have occurred and be continuing.

(3) No license or permit necessary for undertaking the Grant-Eligible Activities shall have been revoked or the issuance thereof subjected to challenge before any court or other governmental authority having or asserting jurisdiction thereover.

(4) Developer has submitted, and the City has approved, Construction Plans for the Minimum Improvements in accordance with Article IV hereof.

(d) Whenever the Authority desires a disbursement to be made hereunder, which shall be no more often than bi-weekly, the Authority shall submit to the City a draw request duly executed on behalf of the Authority, accompanied by paid invoices or other comparable evidence that the cost has been incurred and paid or is payable by the Authority. Each draw request shall constitute a representation and warranty by the Authority that all representations and warranties set forth in this Agreement are true and correct as of the date of such draw request.

(e) If the Authority has performed all of its agreements and complied with all requirements to be performed or complied with hereunder, including satisfaction of all applicable conditions precedent contained in Article III hereof, the City shall make a disbursement to the Authority in the amount of the requested disbursement or such lesser amount as shall be approved, within twenty Business Days after the date of the City's receipt of the draw request, or, if later, upon receipt of grant proceeds from the IRRRB.

(f) The making of the final disbursement by the City under this Section shall be subject to the condition precedent that the Authority shall be in compliance with all conditions set forth in this Section and further, that the City shall have received a lien waiver from each contractor for all work done and for all materials furnished by it for the Grant-Eligible Costs.

(g) The City may, in its sole discretion, without notice to or consent from any other party, waive any or all conditions for disbursement set forth in this section. However, the making of any disbursement prior to fulfillment of any condition therefor shall not be construed as a waiver of

such condition, and the City shall have the right to require fulfillment of any and all such conditions prior to authorizing any subsequent disbursement.

(h) All Grant-Eligible Costs incurred by the Authority in excess of grant proceeds available for such costs (the "Excess Costs") shall be paid to the Authority by the Developer within twenty Business Days after the date of receipt by the Developer of a final accounting by the Authority and City of all grant proceeds disbursed for Grant-Eligible Activities and the amount of such Excess Costs.

(i) The Authority covenants that at the Developer's request, the Authority will pursue additional grant funds from one or more Department of Employment and Economic Development funding programs, including without limitation the Minnesota Investment Fund and the Job Creation Fund.

Section 3.8. No Business Subsidy. The parties agree that the price paid by the Developer for the Development Property represents the fair market value of the Development Property, and is consistent with the Authority's Land Pricing Policy. Accordingly, the parties agree and understand that the transaction described in this Agreement does not constitute a business subsidy within the meaning of the Business Subsidy Act. The Developer releases and waives any claim against the Authority and its governing body members, officers, agents, servants and employees thereof arising from application of the Business Subsidy Act to this Agreement, including without limitation any claim that the Authority failed to comply with the Business Subsidy Act with respect to this Agreement.

Section 3.9. Payment of Administrative Costs. The parties agree that the Authority's Administrative Costs will be paid by the Authority, and that the Developer has no obligation to reimburse the Authority for such expenditures. For purposes of this section, "Administrative Costs" means out of pocket costs incurred by the Authority together with staff costs of the Authority, all attributable to or incurred in connection with the negotiation and preparation of this Agreement in connection with the development of the Development Property.

ARTICLE IV

Construction of Minimum Improvements

Section 4.1. Construction of Minimum Improvements. Subject to all other terms and conditions of this Agreement, Developer agrees that it will construct, or cause to be constructed, the Minimum Improvements on the Development Property in accordance with the approved Construction Plans and at all times prior to the Termination Date will operate and maintain, preserve and keep the Minimum Improvements or cause the Minimum Improvements to be operated, maintained, preserved and kept with the appurtenances and every part and parcel thereof, in good repair and condition.

Section 4.2. Construction Plans. (a) Before commencement of construction of the Minimum Improvements, Developer shall submit to the Authority Construction Plans. The Authority will approve such Construction Plans in writing if: (i) such Construction Plans conform to the terms and conditions of this Agreement; (ii) such Construction Plans conform to the goals and objectives of the Development Plan; (iii) such Construction Plans conform to all applicable federal, state and local laws, ordinances, rules and regulations; (iv) such Construction Plans are adequate to provide for construction of the Minimum Improvements; (v) the Construction Plans do not provide for expenditures in excess of the funds available to Developer for construction of the Minimum Improvements; and (vi) no Event of Default has occurred. No approval by the Authority shall relieve Developer of the obligation to comply with the terms of this Agreement or of the Development Plan, applicable federal, state and local laws, ordinances, rules and regulations, or to construct the Minimum Improvements in accordance therewith. No approval by the Authority shall constitute a waiver of an Event of Default. If approval of the Construction Plans is requested by Developer in writing at the time of submission, such Construction Plans shall be deemed approved unless rejected in writing by the Authority, in whole or in part. Such rejections shall set forth in detail the reasons therefore, and shall be made within 30 days after the date of their receipt by the Authority. If the Authority rejects any Construction Plans in whole or in part, Developer shall submit new or corrected Construction Plans within 30 days after written notification to Developer of the rejection. The provisions of this Section relating to approval, rejection and resubmission of corrected Construction Plans shall continue to apply until the Construction Plans have been approved by the Authority. The Authority's approval shall not be unreasonably withheld. Said approval shall constitute a conclusive determination that the Construction Plans (and the Minimum Improvements, constructed in accordance with said plans) comply to the Authority's satisfaction with the provisions of this Agreement relating thereto.

The Developer hereby waives any and all claims and causes of action whatsoever resulting from the review of the Construction Plans by the Authority and/or any changes in the Construction Plans requested by the Authority. Neither the Authority, the City, nor any employee or official of the Authority or City shall be responsible in any manner whatsoever for any defect in the Construction Plans or in any work done pursuant to the Construction Plans, including changes requested by the Authority.

(b) If Developer desires to make any material change in the Construction Plans after their approval by the Authority, Developer shall submit the proposed change to the Authority for its approval. If the Construction Plans, as modified by the proposed change, conform to the requirements of this Section 4.2 of this Agreement with respect to such previously approved Construction Plans, the Authority shall approve the proposed change and notify Developer in writing of its approval. Such change in the Construction Plans shall, in any event, be deemed approved by the Authority unless rejected, in whole or in part, by written notice by the Authority to Developer, setting forth in detail the reasons therefor. Such rejection shall be made within ten (10) days after receipt of the notice of such change. The Authority's approval of any such change in the Construction Plans will not be unreasonably withheld.

Section 4.3. Commencement and Completion of Construction. Subject to Unavoidable Delays, the Developer shall commence construction of the Minimum Improvements by July 31, 2016, and substantially complete construction of the Minimum Improvements by June 31, 2017. 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. For purposes of this Agreement, commencement of construction shall mean completion of site grading and commencement of foundation work on the Development Property.

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.

Section 4.4. Certificate of Completion. (a) Promptly after substantial completion of the Minimum Improvements in accordance with those provisions of the Agreement relating solely to the obligations of Developer to construct the Minimum Improvements (including the dates for commencement and completion thereof), the Authority will furnish Developer with an appropriate instrument so certifying, in substantially the form attached as Schedule C. Such certification by the Authority shall be (and it shall be so provided in the deed and in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants in the Agreement and in the deed with respect to the obligations of Developer, and its successors and assigns, to construct the Minimum Improvements and the date for the completion thereof. Such certification and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of Developer to any Holder of a Mortgage, or any insurer of a Mortgage, securing money loaned to finance the Minimum Improvements, or any part thereof.

(b) The certificate provided for in this Section 4.4 of this Agreement shall be in such form as will enable it to be recorded in the proper office for the recordation of deeds and other

instruments pertaining to the Development Property. If the Authority shall refuse or fail to provide any certification in accordance with the provisions of this Section 4.4 of this Agreement, the Authority shall, within thirty (30) days after written request by Developer, provide Developer with a written statement, indicating in adequate detail in what respects Developer has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement, or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Authority, for Developer to take or perform in order to obtain such certification.

(c) The construction of the Minimum Improvements shall be deemed to be substantially completed when Developer has received a certificate of occupancy issued by the City for the Minimum Improvements.

Section 4.5. Excess Material. The parties agree that the Developer will transport any excess material excavated from the Development Property (the "Excess Material") to the Authority Property described in Schedule A, at no cost to the Authority, and will deposit such Excess Material in such area or areas of the Authority Property as indicated by the Authority. The Authority shall be solely responsible for the use of such Excess Material for grading and site improvement on the Authority Property. The Authority grants to the Developer a right of entry onto the Authority Property solely for the purposes of delivering the Excess Material.

Section 4.6. Option to Purchase. For a period of two years after the date of this Agreement (the "Negotiation Period"), the Developer shall have the option (the "Option") to purchase certain property adjacent to the Development Property and described on Schedule A as the "Option Property", as provided in this Section. During the Negotiation Period, the Authority agrees that if it receives any bona fide offer from a third party to purchase the Option Property, it will present the terms of such offer to the Developer in writing, and the Developer shall have the right to exercise its Option on the same terms as such offer. If the Developer does not give written notice of its intention to exercise its Option within fifteen Business Days after receipt of such terms from the Authority, the Developer will be deemed to have declined to exercise the Option and the Authority shall have the right to convey the Option Property to such third party. The Developer shall not assign or transfer its rights under this Section in full or in part without the prior written consent of the Authority.

ARTICLE V

Insurance

Section 5.1. Insurance. (a) Developer will provide and maintain at all times during the process of constructing the Minimum Improvements an All Risk Broad Form Basis Insurance Policy and, from time to time during that period, at the request of the Authority, furnish the Authority with proof of payment of premiums on policies covering the following:

(i) Builder's risk insurance, written on the so-called "Builder's Risk -- Completed Value Basis," in an amount equal to one hundred percent (100%) of the insurable value of the Minimum Improvements at the date of completion, and with coverage available in nonreporting form on the so-called "all risk" form of policy.

(ii) Comprehensive general liability insurance (including operations, contingent liability, operations of subcontractors, completed operations and contractual liability insurance) together with an Owner's Contractor's Policy with limits against bodily injury and property damage of not less than \$1,000,000 for each occurrence (to accomplish the above-required limits, an umbrella excess liability policy may be used); and

(iii) Workers' compensation insurance, with statutory coverage.

(b) Upon completion of construction of the Minimum Improvements and prior to the Termination Date, the Developer shall maintain, or cause to be maintained, at its cost and expense, and from time to time at the request of the Authority shall furnish proof of the payment of premiums on, insurance as follows:

(i) Insurance against loss and/or damage to the Minimum Improvements under a policy or policies covering such risks as are ordinarily insured against by similar businesses.

(ii) Comprehensive general public liability insurance, including personal injury liability (with employee exclusion deleted), against liability for injuries to persons and/or property, in the minimum amount for each occurrence and for each year of \$1,000,000, and shall be endorsed to show the Authority as additional insured.

(iii) Such other insurance, including workers' compensation insurance respecting all employees of the Developer, in such amount as is customarily carried by like organizations engaged in like activities of comparable size and liability exposure; provided that the Developer may be self-insured with respect to all or any part of its liability for workers' compensation.

(c) All insurance required in Article V of this Agreement shall be taken out and maintained in responsible insurance companies selected by the Developer which are authorized under the laws of the State to assume the risks covered thereby. Upon request, the Developer will deposit annually with the Authority policies evidencing all such insurance, or a certificate or certificates or binders of the respective insurers stating that such insurance is in force and effect. Unless otherwise provided in this Article V of this Agreement each policy shall contain a provision that the insurer shall not cancel nor modify it in such a way as to reduce the coverage provided below the amounts required herein without giving written notice to the Developer and the Authority at least thirty (30) days before the cancellation or modification becomes effective. In lieu of separate policies, the Developer may maintain a single policy, blanket or umbrella policies, or a combination thereof, having the coverage required herein, in which event the Developer shall deposit with the Authority a certificate or certificates of the respective insurers as to the amount of coverage in force upon the Minimum Improvements.

(d) The Developer agrees to notify the Authority immediately in the case of damage exceeding \$100,000 in amount to, or destruction of, the Minimum Improvements or any portion thereof resulting from fire or other casualty. In such event the Developer will forthwith repair, reconstruct and restore the Minimum Improvements to substantially the same or an improved condition or value as it existed prior to the event causing such damage and, to the extent necessary to accomplish such repair, reconstruction and restoration, the Developer will apply the net proceeds of any insurance relating to such damage received by the Developer to the payment or reimbursement of the costs thereof.

The Developer shall complete the repair, reconstruction and restoration of the Minimum Improvements, whether or not the net proceeds of insurance received by the Developer for such purposes are sufficient to pay for the same. Any net proceeds remaining after completion of such repairs, construction and restoration shall be the property of the Developer.

(f) The Developer and the Authority agree that all of the insurance provisions set forth in this Article V shall terminate upon the termination of this Agreement.

Section 5.2. Subordination. Notwithstanding anything to the contrary contained in this Article V, the rights of the Authority with respect to the receipt and application of any proceeds of insurance shall, in all respects, be subject and subordinate to the rights of any lender under a Mortgage approved pursuant to Article VII of this Agreement.

ARTICLE VI

Delinquent Taxes and Review of Taxes

[Intentionally omitted.]

ARTICLE VII

Financing

Section 7.1. Internal Financing. The Developer warrants and represents that Developer expects to have sufficient funds available to internally finance the construction of the Minimum Improvements. No later than 10 business days prior to Closing, the Developer shall present to the Authority Representative evidence of Developer's ability to internally finance construction of the Minimum Improvements for review and immediate return to Developer, or shall notify the Authority of its decision to pursue mortgage financing. Any such mortgage financing shall be subject to the provisions of Sections 7.2 through 7.4 of this Article VII.

Section 7.2. Mortgage Financing. (a) Before conveyance of the Development Property, the Developer shall submit to the Authority evidence of one or more commitments for mortgage financing which, together with committed equity for such construction, is sufficient for the construction of the Minimum Improvements. Such commitments may be submitted as short term financing, long term mortgage financing, a bridge loan with a long-term take-out financing commitment, or any combination of the foregoing. Such commitment or commitments for short term or long term mortgage financing shall be subject only to such conditions as are normal and customary in the mortgage banking industry.

Section 7.3. Authority's Option to Cure Default on Mortgage. In the event that there occurs a default under any Mortgage, Developer shall cause the Authority to receive copies of any notice of default received by Developer from the holder of such Mortgage. Thereafter, the Authority shall have the right, but not the obligation, to cure any such default on behalf of Developer within such cure periods as are available to Developer under the Mortgage documents.

Section 7.4. Modification; Subordination. The Authority agrees to subordinate its rights under this Agreement to the Holder of any Mortgage securing construction or permanent financing, in accordance with the terms of a subordination agreement in a form reasonably acceptable to the Authority.

ARTICLE VIII

Prohibitions Against Assignment and Transfer; Indemnification

Section 8.1. Representation as to Development. Developer represents and agrees that its purchase of the Development Property or portions thereof, and its other undertakings pursuant to the Agreement, are, and will be used, for the purpose of development of the Development Property and not for speculation in land holding.

Section 8.2. Prohibition Against Transfer of Property and Assignment of Agreement. Developer represents and agrees that until issuance of the Certificate of Completion for the Minimum Improvements:

(a) Developer has not made or created and will not make or create or suffer to be made or created any total or partial sale, assignment, conveyance, or lease, or any trust or power, or transfer in any other mode or form of or with respect to this Agreement or the Development Property or any part thereof or any interest therein, or any contract or agreement to do any of the same, to any person or entity (collectively, a "Transfer"), without the prior written approval of the Authority's board of commissioners unless Developer remains liable and bound by this Agreement, in which event, notwithstanding anything in this Agreement to the contrary, the Authority's approval is not required. The term "Transfer" does not include (i) encumbrances made or granted by way of security for, and only for, the purpose of obtaining construction, interim or permanent financing necessary to enable Developer or any successor in interest to the Development Property, or any part thereof, to construct the Minimum Improvements, or (ii) any lease, license, easement or similar arrangement entered into in the ordinary course of business related to operation of the Minimum Improvements. Prior approval by the Authority is not required for any Transfer: (1) to an Affiliate or the transfer of a member's interest in Developer to an Affiliate of the member so long as the proposed transferee expressly assumes the obligations of Developer or the original member; (2) that is involuntary resulting from the death or disability or parties in control of the members of Developer.

(b) If Developer seeks to effect a Transfer which requires the approval of the Authority prior to issuance of the Certificate of Completion for the Minimum Improvements, the Authority shall be entitled to require as conditions to such Transfer that:

(i) Any proposed transferee shall have the qualifications and financial responsibility, in the reasonable judgment of the Authority and City, necessary and adequate to fulfill the obligations undertaken in this Agreement by Developer as to the portion of the Development Property to be transferred.

(ii) Any proposed transferee, by instrument in writing satisfactory to the Authority and in form recordable among the land records, shall, for itself and its successors and assigns, and expressly for the benefit of the Authority, have expressly assumed all of the obligations of Developer under this Agreement as to the portion of the Development Property to be transferred and agreed to be subject to all the conditions and

restrictions to which Developer is subject as to such portion; provided, however, that the fact that any transferee of, or any other successor in interest whatsoever to, the Development Property, or any part thereof, shall not, for whatever reason, have assumed such obligations or so agreed, and shall not (unless and only to the extent otherwise specifically provided in this Agreement or agreed to in writing by the Authority) deprive the Authority of any rights or remedies or controls with respect to the Development Property or any part thereof or the construction of the Minimum Improvements; it being the intent of the parties as expressed in this Agreement that (to the fullest extent permitted at law and in equity and excepting only in the manner and to the extent specifically provided otherwise in this Agreement) no transfer of, or change with respect to, ownership in the Development Property or any part thereof, or any interest therein, however consummated or occurring, and whether voluntary or involuntary, shall operate, legally or practically, to deprive or limit the Authority of or with respect to any rights or remedies or controls provided in or resulting from this Agreement with respect to the Minimum Improvements that the Authority would have had, had there been no such transfer or change. In the absence of specific written agreement by the Authority to the contrary, no such transfer or approval by the Authority thereof shall be deemed to relieve Developer, or any other party bound in any way by this Agreement or otherwise with respect to the construction of the Minimum Improvements, from any of its obligations with respect thereto.

(iii) Any and all instruments and other legal documents involved in effecting the transfer of any interest in this Agreement or the Development Property governed by this Article VIII, shall be in a form reasonably satisfactory to the Authority.

(c) If the conditions described in paragraph (b) are satisfied with regard to any Transfer requiring the approval of the Authority then the Transfer will be approved and Developer shall be released from its obligations under this Agreement, as to the portion of the Development Property that is transferred, assigned, or otherwise conveyed. The provisions of this paragraph (c) apply to all subsequent transferors, assuming compliance with the terms of this Article.

(d) Upon issuance of the Certificate of Completion for the Minimum Improvements, Developer may transfer or assign the Minimum Improvements and/or Developer's rights and obligations under this Agreement with respect to such property without the prior written consent of the Authority.

Section 8.3. Release and Indemnification Covenants. (a) Developer releases from and covenants and agrees that the Authority and the governing body members, officers, agents, servants and employees thereof shall not be liable for and agrees to indemnify and hold harmless the Authority and the governing body members, officers, agents, servants and employees thereof against any loss or damage to property or any injury to or death of any person occurring at or about or resulting from any defect in the Minimum Improvements.

(b) Except for any negligence of the following named parties and any claim as to the legal authority of the Authority to perform as required by this Agreement, Developer agrees (if

timely tendered by the Authority to Developer) to protect and defend the Authority and the governing body members, officers, agents, servants and employees thereof, now or forever, and further agrees to hold the aforesaid harmless from any claim, demand, suit, action or other proceeding whatsoever by any person or entity whatsoever to the extent caused by the construction, installation, and operation of the Minimum Improvements.

(c) The Authority and the governing body members, officers, agents, servants and employees thereof shall not be liable for any damage or injury to the persons or property of Developer or its officers, agents, servants or employees or any other person who may be about the Development Property or Minimum Improvements due to any act of negligence of any person (other than the Authority).

(d) All covenants, stipulations, promises, agreements and obligations of the Authority contained herein shall be deemed to be the covenants, stipulations, promises, agreements and obligations of the Authority and not of any governing body member, officer, agent, servant or employee of the Authority in the individual capacity thereof.

ARTICLE IX

Events of Default

Section 9.1. Events of Default Defined. The following shall be “Events of Default” under this Agreement and the term “Event of Default” shall mean, whenever it is used in this Agreement (unless the context otherwise provides), any failure by any party, following notice and cure periods described in Section 9.2 hereof, to observe or perform any covenant, condition, obligation or agreement on its part to be observed or performed under this Agreement or under any other agreement entered into between Developer and the Authority in connection with development of the Development Property.

Section 9.2. Remedies on Default. Whenever any Event of Default referred to in Section 9.1 of this Agreement occurs, the non-defaulting party may exercise its rights under this Section 9.2 after providing thirty days written notice to the defaulting party of the Event of Default, but only if the Event of Default has not been cured within said thirty days or, if the Event of Default is by its nature incurable within thirty days, the defaulting party does not provide assurances reasonably satisfactory to the non-defaulting party that the Event of Default will be cured and will be cured as soon as reasonably possible:

- (a) Suspend its performance under the Agreement until it receives assurances that the defaulting party will cure its default and continue its performance under the Agreement.
- (b) Cancel and rescind or terminate the Agreement.
- (c) Take whatever action, including legal, equitable or administrative action, which may appear necessary or desirable to collect any payments due under this Agreement, or to enforce performance and observance of any obligation, agreement, or covenant under this Agreement.

Section 9.3. Revesting Title in Authority Upon Happening of Event Subsequent to Conveyance to Developer. In the event that subsequent to conveyance of the Development Property to Developer and prior to completion of construction of the Minimum Improvements (evidenced by a Certificate of Completion described in Section 4.4):

- (a) Developer, subject to Unavoidable Delays, shall fail to begin construction of the Minimum Improvements in conformity with this Agreement and such failure to begin construction is not cured within 90 days after written notice from the Authority to Developer to do so; or
- (b) Developer fails to pay assessments on the parcel or any part thereof when due, or creates, suffers, assumes, or agrees to any encumbrance or lien on the parcel (except to the extent permitted by this Agreement), or shall suffer any levy or attachment to be made, or any materialmen’s or mechanics’ lien, or any other unauthorized encumbrance or lien to attach, and such assessments shall not have been paid, or the encumbrance or lien removed or discharged or provision satisfactory to the Authority made for such payment, removal, or discharge, within thirty

(30) days after written demand by the Authority to do so; provided, that if Developer first notifies the Authority of its intention to do so, it may in good faith contest any mechanics' or other lien filed or established and in such event the Authority shall permit such mechanics' or other lien to remain undischarged and unsatisfied during the period of such contest and any appeal and during the course of such contest Developer shall keep the Authority informed respecting the status of such defense; or

(c) there is, in violation of the Agreement, any Transfer of the parcel in violation of the terms of Section 8.2, and such violation is not cured within sixty (60) days after written demand by the Authority to Developer, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(d) Developer fails to comply with any of its other covenants under this Agreement related to the Minimum Improvements and fails to cure any such noncompliance or breach within thirty (30) days after written demand from the Authority to Developer to do so, or if the event is by its nature incurable within 30 days, Developer does not, within such 30-day period, provide assurances reasonably satisfactory to the Authority that the event will be cured as soon as reasonably possible; or

(e) the Holder of any Mortgage secured by the subject property exercises any remedy provided by the Mortgage documents or exercises any remedy provided by law or equity in the event of a default in any of the terms or conditions of the Mortgage, in either case which would materially adversely affect the rights and obligations of the Authority hereunder,

Then the Authority shall have the right to re-enter and take possession of the parcel to which the default relates and to terminate (and revert in the Authority) the estate conveyed by the deed to Developer as to that parcel, subject to all intervening matters, it being the intent of this provision, together with other provisions of the Agreement, that the conveyance of the parcel to Developer shall be made upon, and that the deed shall contain a condition subsequent to the effect that in the event of any default on the part of Developer and failure on the part of Developer to remedy, end, or abrogate such default within the period and in the manner stated in such subdivisions, the Authority at its option may declare a termination in favor of the Authority of the title, and of all the rights and interests in and to the parcel conveyed to Developer, and that such title and all rights and interests of Developer, and any assigns or successors in interest to and in the parcel, shall revert to the Authority, but only if the events stated in Section 9.4(a)-(e) have not been cured within the time periods provided above. Notwithstanding anything to the contrary herein, in the event the Development Property have been replatted as part of other parcels as of the date of the Authority's exercise of its rights under this Section, Developer will cooperate with the Authority in obtaining any subdivision necessary to revert in the Authority title to the applicable Authority Parcel.

Section 9.4. Resale of Reacquired Property; Disposition of Proceeds. Upon the reversioning in the Authority of title to and/or possession of the parcel or any part thereof as provided in Section 9.3, the Authority shall, pursuant to its responsibilities under law, use its best efforts to sell the parcel or part thereof as soon and in such manner as the Authority shall find feasible and consistent with the objectives of such law and of the Development Plan to a qualified and responsible party or

parties (as determined by the Authority) who will assume the obligation of making or completing the Minimum Improvements as shall be satisfactory to the Authority in accordance with the uses specified for such parcel or part thereof in the Development Plan. During any time while the Authority has title to and/or possession of a parcel obtained by reverter, the Authority will not disturb the rights of any tenants under any leases encumbering such parcel. Upon resale of the parcel, the proceeds thereof shall be applied:

(a) First, to reimburse the Authority for all costs and expenses incurred by them, including but not limited to salaries of personnel, in connection with the recapture, management, and resale of the parcel (but less any income derived by the Authority from the property or part thereof in connection with such management); all taxes, assessments, and water and sewer charges with respect to the parcel or part thereof (or, in the event the parcel is exempt from taxation or assessment or such charge during the period of ownership thereof by the Authority, an amount, if paid, equal to such taxes, assessments, or charges (as determined by the Authority assessing official) as would have been payable if the parcel were not so exempt); any payments made or necessary to be made to discharge any encumbrances or liens existing on the parcel or part thereof at the time of reversion of title thereto in the Authority or to discharge or prevent from attaching or being made any subsequent encumbrances or liens due to obligations, defaults or acts of Developer, its successors or transferees; any expenditures made or obligations incurred with respect to the making or completion of the subject improvements or any part thereof on the parcel or part thereof; and any amounts otherwise owing the Authority by Developer and its successor or transferee; and

(b) Second, to reimburse Developer, its successor or transferee, up to the amount equal to the amount actually invested by it in making any of the subject improvements on the parcel or part thereof.

Any balance remaining after such reimbursements shall be retained by the Authority as its property.

Section 9.5. No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority or Developer is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it, it shall not be necessary to give notice, other than such notice as may be required in this Article IX.

Section 9.6. No Additional Waiver Implied by One Waiver. In the event any agreement contained in this Agreement should be breached by either party and thereafter waived by the other 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 hereunder.

ARTICLE X

Additional Provisions

Section 10.1. Conflict of Interests; Authority Representatives Not Individually Liable. The Authority and Developer, to the best of their respective knowledge, represent and agree that no member, official, or employee of the Authority shall have any personal interest, direct or indirect, in the Agreement, nor shall any such member, official, or employee participate in any decision relating to the Agreement which affects his personal interests or the interests of any corporation, partnership, or association in which he is, directly or indirectly, interested. No member, official, or employee of the Authority shall be personally liable to Developer, or any successor in interest, in the event of any default or breach by the Authority or for any amount which may become due to Developer or successor or on any obligations under the terms of the Agreement.

Section 10.2. Equal Employment Opportunity. Developer, for itself and its successors and assigns, agrees that during the construction of the Minimum Improvements provided for in the Agreement it will comply with all applicable federal, state and local equal employment and non-discrimination laws and regulations.

Section 10.3. Restrictions on Use. Developer agrees that until the Termination Date, Developer, and such successors and assigns, shall devote the Development Property to the operation of the Minimum Improvements for uses described in the definition of such term in this Agreement, and shall not discriminate upon the basis of race, color, creed, sex or national origin in the sale, lease, or rental or in the use or occupancy of the Development Property or any improvements erected or to be erected thereon, or any part thereof.

Section 10.4. Provisions Not Merged With Deed. None of the provisions of this Agreement are intended to or shall be merged by reason of any deed transferring any interest in the Development Property and any such deed shall not be deemed to affect or impair the provisions and covenants of this Agreement.

Section 10.5. Titles of Articles and Sections. Any titles of the several parts, Articles, and Sections of the Agreement are inserted for convenience of reference only and shall be disregarded in construing or interpreting any of its provisions.

Section 10.6. Notices and Demands. Except as otherwise expressly provided in this Agreement, a notice, demand, or other communication under the Agreement by any party to the others shall be sufficiently given or delivered if it is dispatched by registered or certified mail, postage prepaid, return receipt requested, or delivered personally; and

(a) in the case of Developer, is addressed to or delivered personally to Developer at 825 1st Street NE, Perham, Minnesota 56573; and

(b) in the case of the Authority, is addressed to or delivered personally to the Authority at 420 North Pokegama Avenue, Grand Rapids, Minnesota 55744, Attn: Executive Director.

Section 10.7. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall constitute one and the same instrument.

Section 10.8. Recording. The Authority may record this Agreement and any amendments thereto with the Itasca County recorder. Developer shall pay all costs for recording.

Section 10.9. Amendment. This Agreement may be amended only by written agreement approved by the Authority and Developer.

Section 10.10. Authority Approvals. Unless otherwise specified, any approval required by the Authority under this Agreement may be given by the Authority Representative.

Section 10.11. Termination. This Agreement terminates on the Termination Date.

Section 10.12. Choice of Law and Venue. 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.

Section 10.13. Good Faith. Each party shall act in good faith and in a commercially reasonable manner with respect to any matter contemplated by this Agreement, including, without limitation, approving or disapproving any request, including any request for approval of plans.

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 _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____ 2016, by _____ and _____, the President and Executive Director of the Grand Rapids Economic Development Authority, a public body politic and corporate, on behalf of the Authority.

Notary Public

SCHEDULE A

LEGAL DESCRIPTIONS

Development Property:

Lot 5, Block 1, Airport South Industrial Park – Phase 1, Itasca County, Minnesota

Authority Property:

Lots 1-3, Block 1, Airport South Industrial Park – Phase 2, Itasca County, Minnesota

Option Property:

Lot 4, Block 1, Airport South Industrial Park – Phase 1, Itasca County, Minnesota

SCHEDULE B

FORM OF QUIT CLAIM DEED

THIS INDENTURE, between the Grand Rapids Economic Development Authority, Grand Rapids, Minnesota, a public body corporate and politic (the "Grantor"), and Swanlease, LLC, a Minnesota limited liability company (the "Grantee").

WITNESSETH, that Grantor, in consideration of the sum of \$32,911 and other good and valuable consideration the receipt whereof is hereby acknowledged, does hereby grant, bargain, quitclaim and convey to the Grantee, its successors and assigns forever, all the tract or parcel of land lying and being in the County of Itasca and State of Minnesota described as follows, to-wit (such tract or parcel of land is hereinafter referred to as the "Property"):

Lot 5, Block 1, Airport South Industrial Park – Phase 1, Itasca County, Minnesota

To have and to hold the same, together with all the hereditaments and appurtenances thereunto belonging.

SECTION 1.

It is understood and agreed that this Deed is subject to the covenants, conditions, restrictions and provisions of an agreement recorded herewith entered into between the Grantor and Grantee on the 14th day of April, 2016, identified as "Purchase and Development Contract" (hereafter referred to as the "Agreement") and that the Grantee shall not convey this Property, or any part thereof, except as permitted by the Agreement until a certificate of completion releasing the Grantee from certain obligations of said Agreement as to this Property or such part thereof then to be conveyed, has been placed of record. This provision, however, shall in no way prevent the Grantee from mortgaging this Property in order to obtain funds for erecting the Minimum Improvements thereon (as defined in the Agreement) in conformity with the Agreement, any applicable development program and applicable provisions of the zoning ordinance of the City of Grand Rapids, Minnesota, or for the refinancing of the same.

It is specifically agreed that the Grantee shall promptly begin and diligently prosecute to completion the development of the Property through the construction of the Minimum Improvements thereon, as provided in the Agreement.

Promptly after completion of the Minimum Improvements in accordance with the provisions of the Agreement, the Grantor will furnish the Grantee with an appropriate instrument so certifying. Such certification by the Grantor shall be (and it shall be so provided in the certification itself) a conclusive determination of satisfaction and termination of the agreements and covenants of the Agreement and of this Deed with respect to the obligation of the Grantee, and its successors and assigns, to construct the Minimum Improvements and the dates for the beginning and completion thereof. Such certifications and such determination shall not constitute evidence of compliance with or satisfaction of any obligation of the Grantee to any holder of a mortgage, or any insurer of a

mortgage, securing money loaned to finance the purchase of the Property hereby conveyed or the Minimum Improvements, or any part thereof.

All certifications provided for herein shall be in such form as will enable them to be recorded with the County Recorder, Itasca County, Minnesota. If the Grantor shall refuse or fail to provide any such certification in accordance with the provisions of the Agreement and this Deed, the Grantor shall, within thirty (30) days after written request by the Grantee, provide the Grantee with a written statement indicating in adequate detail in what respects the Grantee has failed to complete the Minimum Improvements in accordance with the provisions of the Agreement or is otherwise in default, and what measures or acts it will be necessary, in the opinion of the Grantor, for the Grantee to take or perform in order to obtain such certification.

SECTION 2.

The Grantee's rights and interest in the Property are subject to the terms and conditions of Section 9.3 of the Agreement relating to the Grantor's right to re-enter and revest in Grantor title to the Property under conditions specified therein, including but not limited to termination of such right upon issuance of a Certificate of Completion as defined in the Agreement.

SECTION 3.

The Grantee agrees for itself and its successors and assigns to or of the Property or any part thereof, hereinbefore described, that the Grantee and such successors and assigns shall comply with all provisions of the Agreement that relate to the Property or use thereof for the periods specified in the Agreement, including without limitation the covenant set forth in Section 10.3 thereof.

It is intended and agreed that the above and foregoing agreements and covenants shall be covenants running with the land for the respective terms herein provided, and that they shall, in any event, and without regard to technical classification or designation, legal or otherwise, and except only as otherwise specifically provided in this Deed, be binding, to the fullest extent permitted by law and equity for the benefit and in favor of, and enforceable by, the Grantor against the Grantee, its successors and assigns, and every successor in interest to the Property, or any part thereof or any interest therein, and any party in possession or occupancy of the Property or any part thereof.

In amplification, and not in restriction of, the provisions of the preceding section, it is intended and agreed that the Grantor shall be deemed a beneficiary of the agreements and covenants provided herein, both for and in its own right, and also for the purposes of protecting the interest of the community and the other parties, public or private, in whose favor or for whose benefit these agreements and covenants have been provided. Such agreements and covenants shall run in favor of the Grantor without regard to whether the Grantor has at any time been, remains, or is an owner of any land or interest therein to, or in favor of, which such agreements and covenants relate. The Grantor shall have the right, in the event of any breach of any such agreement or covenant to exercise all the rights and remedies, and to maintain any actions or suits at law or in equity or other proper proceedings to enforce the curing of such breach of agreement or covenant, to which it or any other beneficiaries of such agreement or covenant may be entitled; provided that Grantor shall

not have any right to re-enter the Property or re-vest in the Grantor the estate conveyed by this Deed on grounds of Grantee's failure to comply with its obligations under this Section 3.

SECTION 4.

This Deed is also given subject to:

(a) Provision of the ordinances, building and zoning laws of the City of Grand Rapids, and state and federal laws and regulations in so far as they affect this real estate.

(b) [Others]

Grantor certifies that it does not know of any wells on the Property.

IN WITNESS WHEREOF, the Grantor has caused this Deed to be duly executed in its behalf by its President and Executive Director and has caused its corporate seal to be hereunto affixed this _____ day of _____, 2016.

GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY

By _____
Its President

By _____
Its Executive Director

STATE OF MINNESOTA)
) ss
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this _____ day of _____ 2016, by _____ and _____, the President and Executive Director of the Grand Rapids Economic Development Authority, a public body politic and corporate, on behalf of the Authority.

Notary Public

This instrument was drafted by:

Kennedy & Graven, Chartered (MNI)
470 U.S. Bank Plaza
200 South Sixth Street
Minneapolis, Minnesota 55402

SCHEDULE C

CERTIFICATE OF COMPLETION

WHEREAS, the Grand Rapids America Economic Development Authority, a public body corporate and politic (the "Authority"), by a Deed recorded in the Office of the County Recorder or the Registrar of Titles in and for the County of Itasca and State of Minnesota, as Deed Document Number(s) _____ and _____, respectively, has conveyed to Swanlease, LLC (the "Developer"), the following described land in County of Itasca and State of Minnesota, to-wit:

Lot 5, Block 1, Airport South Industrial Park – Phase 1, Itasca County, Minnesota

Subject to easements, restrictions and reservations of record.

WHEREAS, the undersigned hereby certifies that the Developer has fully complied with its obligations under Articles III and IV of that document titled "Purchase and Development Contract," dated _____, 2016 between the Authority and the Developer ("Agreement"), with respect to construction of the Minimum Improvements in accordance with Article IV of the Agreement, and that the Developer is released and forever discharged from its obligations with respect to construction of the Minimum Improvements under Articles III and IV of the Agreement.

Dated: _____, 20__.

GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY

By _____
Authority Representative

STATE OF MINNESOTA)
) SS.
COUNTY OF ITASCA)

The foregoing instrument was acknowledged before me this ____ day of _____
20__, by _____, the _____ of the Grand Rapids Economic
Development Authority, a public body politic and corporate, on behalf of the Authority.

Notary Public

This document was drafted by:
KENNEDY & GRAVEN, Chartered (MNI)
470 US Bank Plaza
Minneapolis, Minnesota 55402
Telephone: 612-337-9300

SCHEDULE D

FORM OF LICENSE AGREEMENT

THIS AGREEMENT ("Agreement") is made and entered into as of this ____th day of _____, 2016 (the "Effective Date") between **GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY**, a public body corporate and politic under the laws of Minnesota ("Authority"), and **SWANLEASE, LLC** a Minnesota limited liability company ("Developer").

A. The Authority and Developer have concluded negotiations and executed a Purchase and Development Contract (the "Contract") for the purchase and development by the Developer of certain real property legally described in Exhibit A attached hereto (the "Property"), which the Authority has on the date hereof conveyed to the Developer. Pursuant to the Contract, the Authority is responsible for performing certain site work on the Property.

B. The Authority desires to enter onto the Property for purposes of performing the site work on the Property, as described in Section 3.7 of the Contract (the "Permitted Activities").

C. The Developer has agreed to allow the Authority to enter onto the Property for the purposes described herein in accordance with the terms and conditions of this Agreement and the Contract.

NOW, THEREFORE, in consideration of the mutual promises, covenants, undertakings, and other consideration set forth in this Agreement and the Contract, the Authority and Developer hereby agree as follows:

1. **Right of Entry.** The Developer hereby consents and agrees that the Authority, its employees, agents and contractors (collectively, the "Authority Authorized Parties") may enter upon the Property to conduct and perform the Permitted Activities. The Authority shall have access to the Property seven (7) days a week between the hours of 7:00 a.m. and 7:00 p.m. The Developer agrees that the Authority Authorized Parties may enter upon the Property to perform the Permitted Activities upon execution of this Agreement and may have access to the Property for such purposes through the earlier of the date of completion of the Permitted Activities on the Property by the Authority or June 31, 2017.

2. **Liens.** Authority shall not permit any mechanics', materialmens' or other liens to stand against the Property or any part thereof for work or materials furnished to the Authority in connection with the right of entry granted pursuant to this Agreement and the Authority agrees to indemnify, defend and hold harmless the Developer from and against the same.

3. **Governing Law.** The parties agree that the interpretation and construction of this Agreement and the Contract shall be governed by the laws of the State of Minnesota. To the

extent that any provision in the Contract is in conflict with this Agreement, the Contract shall control.

4. **Counterparts.** This Agreement may be executed in two or more counterparts, each of which shall be deemed an original but all of which together shall constitute one and the same instrument.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

AUTHORITY

**GRAND RAPIDS ECONOMIC
DEVELOPMENT AUTHORITY**

By: _____
Its: President

By: _____
Its: Executive Director

DEVELOPER

SWANLEASE, LLC

By: _____
Its _____

EXHIBIT A

Lot 5, Block 1, Airport South Industrial Park – Phase 1, Itasca County, Minnesota



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

REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item #7	Meeting Date: 4/14/16
Statement of Issue:	Consider approving a 2016 Central School lease with Megan Kellin dba Lake Time Magazine
Background:	<p>Megan Kellin dba Lake Time Magazine, has signed a lease for Suite 203 the southwest corner space on the second floor of Central School.</p> <p>Lake Time Magazine is an online and quarterly print magazine promoting lake living and recreation in northern Minnesota. Megan and her partners/associates have also recently launched an additional publication, Lake Bride Magazine, dedicated to northern Minnesota weddings.</p> <p>The lease for the 860 s.f. space (Suite 203), is consistent with GREDA's current master lease and consistent in terms of rental rate with other tenants on the second floor.</p>
Recommendation:	Approve the lease and authorize the GREDA President to execute them on behalf of GREDA
Required Action:	Consider approving a 2016 Central School lease with Megan Kellin dba Lake Time Magazine
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 **Megan Kellin, dba Lake Time Magazine, a sole proprietorship**, hereinafter referred to as "Lessee", entered into this 14th day of April, 2016.

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 **January 1, 2016** and shall continue through **December 31, 2016** unless earlier terminated in accordance with the provisions of this Lease Agreement. The Lessee shall be allowed to terminate this lease any time after June 30, 2015, by providing the Lessor 60 (sixty) days written notice.

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 **2016** base rent shall be in the amount of **\$11.88** per square foot annually, payable in equal monthly installments beginning on the **1ST** day of **May, 2016** and continuing on the first day of each month thereafter through **December 31, 2016**. 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:

Megan Kellin
dba Lake Time Magazine
10 NE 5th St., Suite 203
Grand Rapids, MN 55744

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

Lake Time Magazine is located on the Second Floor, in Suite 203, consisting of 860 square feet.

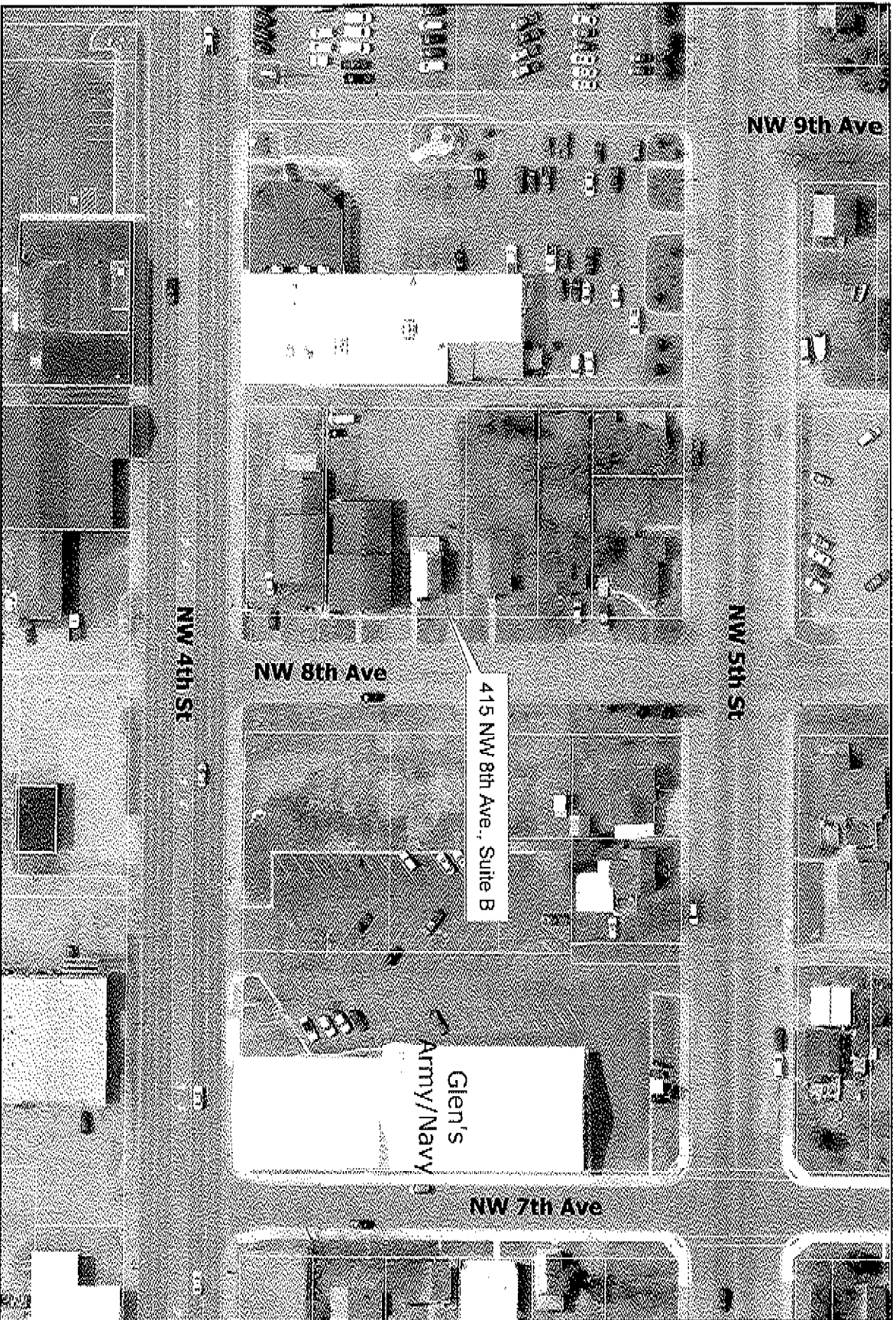
Exhibit B – Use of Space

Lake Time Magazine is an office dedicated to the design and creation of magazines focused on lake country living, all of which are published off premises.

Exhibit C – Improvements

None

JBS Holdings SCDP Project Location



Blandin Foundation/GREDA PRI Commercial Rehabilitation Projects

SCDP Project	Business/Building Owner	Address	Proposed Project	Total Estim. Proj. Cost	SCDP Request	GREDA CBIL Request	Private Funding or Equity	Update
Yes	Madden's Dutch Room/Dennis & Ariza Madden	702 NW 4th St	New doors to address code requirements, exterior painting and brick walkscoting and bathroom remodel	\$68,700.00	\$32,000.00	\$35,000.00	\$1,700.00	Project Completed
Yes	Fasca Co. Farm Service Association	900 NW 4th St.	front exterior renovation, accessibility upgrades to entrance and bathrooms, mill area roof replacement	\$108,011.00	\$32,000.00	\$35,000.00	\$41,011.00	Project Under Construction
Yes	Pastles Plus Bldg./Dan and Jean Andersson	1405 NW 4th St.	Siding, soffit, and fascia painting, new windows and doors and new roofing.	\$38,981.00	\$22,188.60	\$14,792.40	\$0.00	Project Completed
Yes	Davis Petroleum/Bret and Sandy Wagner	1301 NW 4th St.	New siding, roofing, extended soffits on station and warehouse	\$78,568.66	\$32,000.00	\$35,000.00	\$11,568.66	Project Completed
Yes	First Call for Help	1007 NW 4th St.	New siding, windows, doors and furnace(?)	\$67,000.00	\$32,000.00	\$35,000.00	\$0.00	Project in beginning stages
No	McAlpine Building/Linda and Tony Burdow	4 NW 3rd St.	Window and Door Replacement	\$48,314.00	\$0.00	\$34,735.50	\$11,578.50	Project Under Construction
Subtotals:				\$445,874.66	\$174,188.60	\$189,527.90	\$81,858.16	
Available SCDP Commercial Rehab. funding:					\$192,000.00			
SCDP Fund Balance:					\$17,811.40			

Notes:
 The CBIL Program Loans that are SCDP projects carry a term of 10 years at 3% interest.
 The CBIL program loans, that are non-SCDP projects, follow our normal terms which involve a 5 year term, a 20 year amortization and a 4% interest rate.
 Because we have a group of loans that have two sets of terms, GREDA will issue two notes to the Foundation to claim the entire PRI amount of \$175,000.

G **R**apids **E**conomic **D**evelopment **A**uthority



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

2015 **Annual Report**

Prepared by:

Rob Mattel
Director of Community Development /
GREDA Executive Director

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Mission

The Mission of the Grand Rapids Economic Development Authority (GREDA) is to advance the growth of our local economy through efforts focused on business recruitment, retention and expansion.

As the City's economic development agent, the GREDA strives to provide a high level of service, in order to encourage economic investment and prosperity in the City of Grand Rapids and the surrounding region. The GREDA works closely with businesses to: identify creative solutions to challenging problems, generate enhanced opportunities for growth, and help them achieve their short- and long-term goals.

Governance

The Grand Rapids Economic Development Authority (GREDA) is a public body governed by Minnesota Statute chapter 469, and Enabling Resolutions enacted by the City Council of the City of Grand Rapids.

The management of all of the affairs, property and business of GREDA is vested in a Board of Commissioners consisting of 7 persons, 2 of which must be members of the City Council. The GREDA, on an annual basis, elects its Officers, which include: a President, Vice President, Secretary/Treasurer, and Asst. Treasurer. The GREDA is provided staff support primarily through the Community Development Department, with the Director of Community Development acting as the GREDA Executive Director, and with the Community Development Administrative Assistant acting as the Recorder.

The GREDA Board of Commissioners is currently made up of the following volunteers:

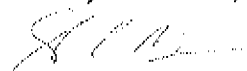
Member	Position	Affiliation/Occupation	Term Expires
Sholom Blake	President	Private Business Owner/CPA	3/1/19
Rick Blake	Commissioner	City Council/Ret.	12/31/18 Concurrent with Council Term
Chris Lynch	Vice President	Bank Executive	3/1/19
Mike Przytarski	Commissioner	Property Owner/Manager	3/1/21
Cory Jackson	Commissioner	Business Financial Officer	3/1/17
Mike Stefan	Commissioner	Financial Advisor	3/1/18
Dale Christy	Commissioner	City Council/Teacher	12/31/16 Concurrent with Council Term

*The City Finance Director serves as the Asst. Treasurer

Article VII, Section 1, of the Bylaws of the Grand Rapids Economic Development Authority establishes that: "GREDA shall prepare an annual report describing its activities and providing an accurate statement of its financial condition, together with additional matters and recommendations it deems advisable for the economic development of the City of Grand Rapids."

This report is intended to summarize the GREDA's activities and financial condition for the year ending December 31, 2015.

Respectfully submitted,



Sholom Blake, Grand Rapids EDA
President



Development Property Assets

Beginning in 1969, the GREDA and its predecessor organization, the Grand Rapids Industrial Park Commission, have invested in the creation of four industrial park areas in Grand Rapids. Those industrial parks have become the home for 24 businesses, providing over 1,000 jobs in our community.

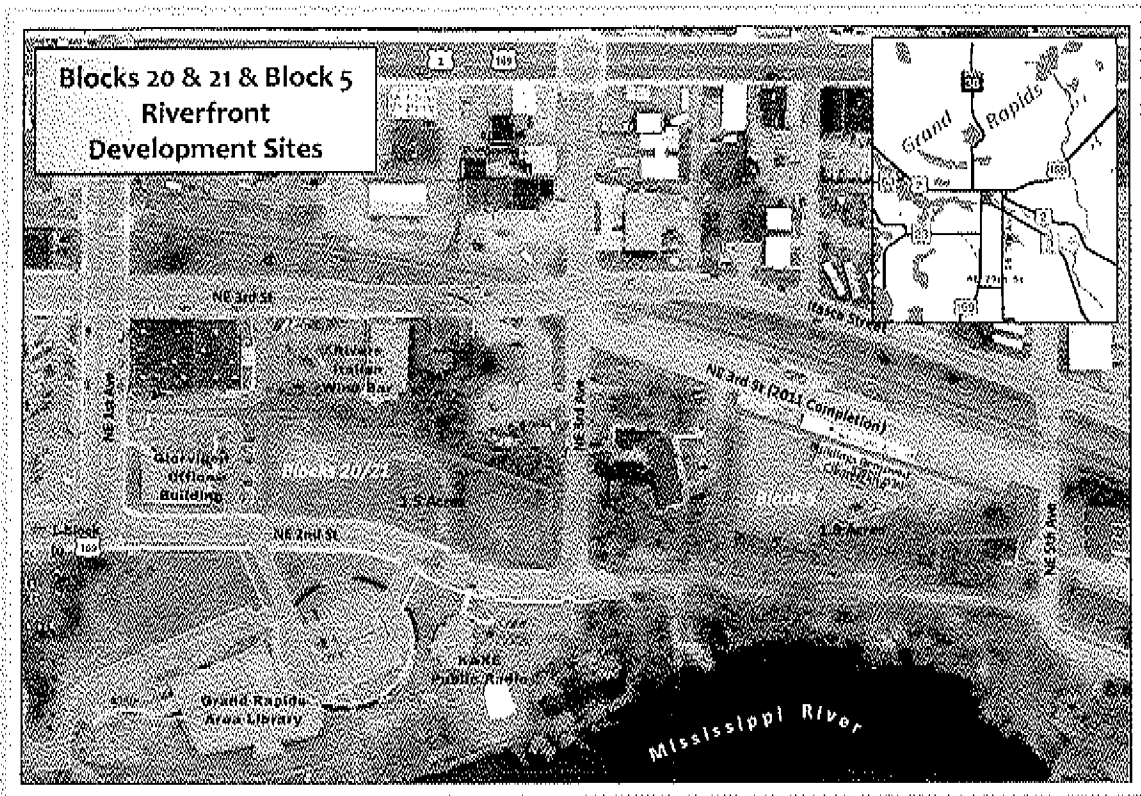
The attraction and location of industrial business in our community is pursued by GREDA within a competitive environment. Communities in the Arrowhead Region, including Grand Rapids, have had to counterbalance weaknesses, such as our distance from major market areas, by providing incentives to businesses for locating in our community. A primary means of providing that incentive involves providing development sites for business location at a competitive rate, most often below actual cost.

In addition to assembling lands for industrial development, the GREDA has also actively pursued the development of underutilized properties in the Downtown and Mississippi Riverfront areas. As examples, the GREDA has sold land which led to the development of the Glorvigen office building and the KAXE Northern Public Radio station. The GREDA also exercised their authority to purchase and sell lands in support of the private redevelopment of Block 37, located at the corner of TH 2 and TH 169. The GREDA currently owns property in Blocks 20 & 21, immediately north of the Library, which they continue to market to developers interested in creating professional office, residential and other compatible uses. The GREDA also acquired title from the City to the former North Country Recycling property, a site also referred to as the Block 5 Site.

Inventory Summary:

Site Description	Number of Developable Lots (GREDA Owned)	Acreage Total
Industrial Park Two	1	2.38
Industrial Park East	6	8.30
Airport South Industrial Park – Phase 1 & 2	12	20.91
Blocks 20 & 21 Riverfront Dev. Site	1	1.46
Block 5 Riverfront Dev. Site	1	1.8
Totals:	21	34.85





Business Assistance Programs

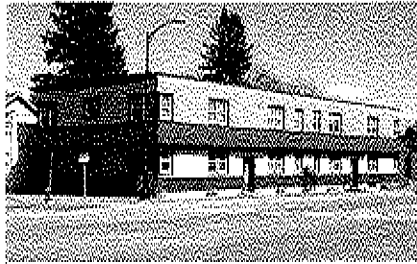
In order to meet business' needs, GREDA commonly pools their resources together with those of other local, state and federal economic development agencies. Examples of those business assistance programs are listed in the following table:

Provider	Program
Federal EDA	<ul style="list-style-type: none"> ▪ Public Works Grant ▪ Economic Adjustment Grant ▪ Economic Development Planning Grant
Iron Range Resources and Rehabilitation Board	<ul style="list-style-type: none"> ▪ Commercial Redevelopment Program ▪ Public Works Program ▪ Business Financing
Department of Employment and Economic Development (DEED)	<ul style="list-style-type: none"> ▪ Business Development Public Infrastructure Grant ▪ Minnesota Investment Fund ▪ Small Cities Development Program ▪ Redevelopment Grant Program ▪ Contamination Investigation and Cleanup ▪ Job Skills Partnership Program
Itasca Economic Development Corporation (IEDC)	<ul style="list-style-type: none"> ▪ Building Development Loan Program
City of Grand Rapids	<ul style="list-style-type: none"> ▪ Tax Increment Financing ▪ Tax Abatement



Commercial Building Improvement Loan (CBIL) Program - In certain situations, the underwriting standards used by private financial institutions would constrain their willingness or ability to provide a complete, attractive, financing package to a small business seeking to invest in property improvements. The GREDA has created and maintains a revolving loan fund, named the Commercial Building Improvement Loan (CBIL) Program, which is intended to leverage private sector investment. The GREDA CBIL Program fills this capital market void by providing below market rate financing to eligible commercial enterprises within the City of Grand Rapids.

The CBIL is intended primarily to help building owners and tenants improve the appearance and function of their existing buildings. Secondary benefits include: the removal of blight, increased competitiveness, strengthening of the tax base and improved viability of small businesses in the Grand Rapids commercial districts.



MRM Apartments (2013)- 105 NE 5th St.

Eligible improvements to any retail/commercial building or site are qualified for consideration under the CBIL, within the following business zones: (LB, GB, CBD, SGB, SLB, I-1, SI-1). Program funds may be used for: building construction and expansion, building renovation and remodeling, landscaping and parking lot improvements and signage.

The Commercial Building Improvement Loan Program funds may finance up to 75% of the project cost, or \$40,000, whichever may be less. The interest rate for improvement loans is set at four percent (4%), with a maximum term of 5 years. Loans are amortized over a twenty year period with a balloon payment due at the end of the term, with no penalty for early payment.

This program was largely underutilized until early 2006 when the GREDA took action to redefine and improve the program structure and guidelines. These program changes were well received as loan activity has steadily increased.

In 2015, two loans were satisfied prior to the end of their terms. The early pay-off of these loans reduced the current portfolio to eleven loans with a combined principal loan amount of \$297,584.

The GREDA has offered enhanced terms for the CBIL, if used as matching funds in a SCDP commercial rehabilitation project. Thus far, these enhanced terms have resulted in five CBIL applications totaling \$154,792.



Additional Project Funding

The following table provides a ten year history of the outside funding secured by the GREDA:

Funding Source	Activity	Funding Amount Loan(L)/Grant(G)	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Blandin Foundation	Downtown Plan Preparation	\$75,000 G	✓											
	Downtown Land Acquisition Fund	\$1,000,000 L			✓									
	CBIL Program Recapitalization	\$175,000 L				✓								
	Riverfront Plan	\$35,175 G				✓								
	Blocks 20/21 Soil	\$100,000 L						✓						
	MN Intelligent Rural Comm.	\$100,000G						✓						
	R/F Interp. Signs	\$5,000G						✓						
	Central School Feasibility Study	\$12,000G											✓	
	IRRRB	Blandin Bldg. Demo	\$125,000 G				✓							
		DRHH Infrastructure Grant	\$100,000 G					✓						
St. Joe Block Demo. Grant		\$250,000 G							✓					
St. Joe Block Demo. Grant		\$41,000 G								✓				
DC Manufacturing Site Development		\$150,000G								✓		✓		
Hammerlund Const. Site Devel.		\$350,000G										✓		
Dept. of Employment and Economic Development (DEED)		Airport S. I/P Infrastructure (6 th Ave. SE)	\$309,000 G	✓										
		Airport S. Industrial Park Infrastructure (33 rd St. SE)	\$250,000 G				✓							
	SCDP Commercial Rehab	\$198,375					✓							
	Itasca Eco-Ind. Park Clean-up Invest. Grant	\$48,800 G					✓							
	Itasca Eco-Ind. Park Clean-up	\$56,250G						✓						
	SCDP	\$615,552G											✓	
	Federal EDA	Blandin West Ind. Park Planning	\$60,000 G	✓										
		Legislative Appropriation (Taconite Relief Area)	Architectural Pre-design of North Central Tech. Laboratory	\$192,000G		✓								
Grading of three Airport S. Ind. Lots	\$90,000G					✓								
Blocks 20/21 Soil Remediation	\$200,000G							✓						
Total Outside Funding Secured Since 2005:		\$ 4,503,152												



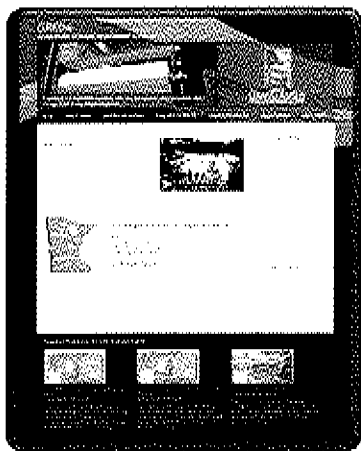
Business Retention and Attraction

GREDA views regular interaction with resident companies, such as through a Business Retention and Expansion (BRE) program of structured interviews, as an important component of the Grand Rapids area economic development action plan. The importance of BRE is underscored by a well-known statistic: “up to 80 percent of new jobs and capital investment in any community is generated by existing businesses”.¹

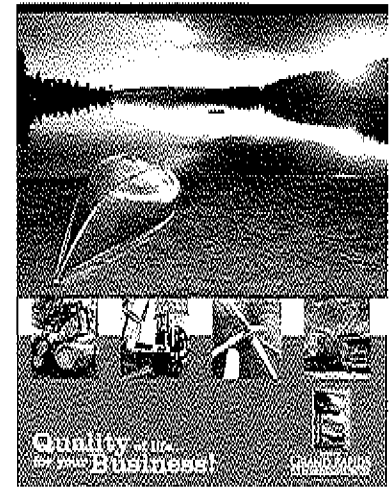
The GREDA supports the ongoing efforts of the Grand Rapids Area Chamber of Commerce in the implementation of their “Grow Itasca” BRE program. The updates provided to GREDA, by the Grow Itasca group, as well as GREDA’s own occasions to interact with local companies, assist GREDA in understanding and serving their needs.

This is not to say, however, that GREDA disregards the value of business attraction efforts, as evidenced by their expanding industrial park areas. With a well rounded inventory of sites to offer, GREDA has begun to dedicate additional resources to their marketing efforts, including:

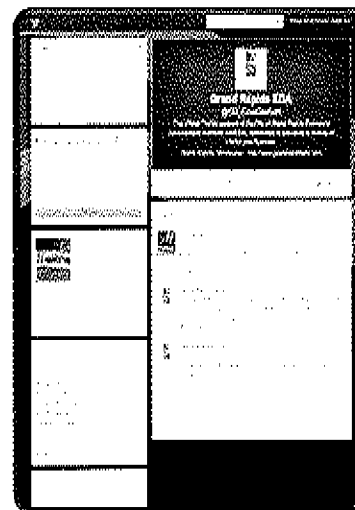
- ❖ Electronic and printed brochures featuring their property
- ❖ An increased presence on the *northlandconnection.com* regional business portal



- ❖ The development of a GREDA website launched in September 2011 at www.grandrapidseda.com
- ❖ GREDA twitter account launched October 2012: @GR_EconDevAuth



¹“The Job Generation Process.” Dr. David Birch, MIT Economist

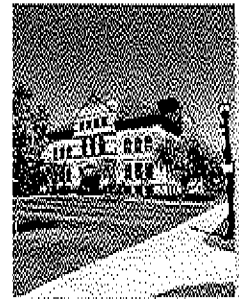


DEED Small Cities Development Program (SCDP) Grant Application

- ❖ Grant amount awarded - \$615,552
- ❖ The grant involves funding the rehabilitation of 12 owner occupied residential homes at a maximum assistance of \$22,400/unit, 4-15 residential rental units at a maximum assistance of \$21,000/rehabilitation project, and 6 commercial building rehabilitations, with a maximum SCDP assistance of \$32,000/rehabilitation project. (Targeted Areas)
- ❖ GREDA offered supplemental financing, with enhanced terms, through its CBIL Program
- ❖ Grant runs through the end of 2016 (More applications are being sought)
- ❖ Activities to date:
 - Commercial: Davis Petroleum (Completed), Pasties Plus Building (Completed), Maddens Dutch Room (Completed), Itasca Co. Farm Service (Under Construction), 1007 NE 4th (Application approved), still seeking applications
 - Residential, Owner Occupied: 7 completed, 3 under construction, 2 applications pending qualification (these 5 projects may use remaining owner occupied rehab dollars).
 - Residential, Rental: 4 units completed, a 3-building project containing 28 units is pending qualification (projected to use remaining rental rehab dollars if project moves forward)

Central School Leasing

- ❖ Preliminary Development Agreement with Northrock Development extended until June 30, 2016
- ❖ 58% of the space is currently leased, in discussions with possible new tenants.



GREDA Commercial Building Improvement Loan Program

- ❖ In 2015 GREDA approved 6 loans in a total amount of \$182,500. These 6 projects represent a total investment of approximately \$405K.
- ❖ Since the Program's restructuring in 2006, GREDA has provided 19 loans totaling over \$510K. When added to the two SCDP programs (2009 & 2014) GREDA has provided over \$830K of low cost financing to improve 25 commercial buildings.
- ❖ Staff presented an overview of this program at Itasca Entrepreneur Meetup in January.

Other Current Areas of Activity

- ❖ Assisted in financing the CIAC for the extension of natural gas service to three unserved neighborhoods
- ❖ Purchased a 20 acre tract of land on the Airport Rd. for future industrial expansion.
- ❖ Entered into a LOI with United Development Solutions for the purchase of Block 20/21 site for the intended development of a hotel.
- ❖ Swan Machine – machining company, headquartered out of Perham, MN, which we assisted in locating a satellite facility to Grand Rapids in 2013, is now interested in a permanent, new, 10,000 sf facility in GREDA's Airport S. Industrial Park.



**CITY OF GRAND RAPIDS
ECONOMIC DEVELOPMENT AUTHORITY**

COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2015
With Comparative Totals for the Year Ending December 31, 2014

	<u>2014 TOTAL</u>	<u>2015 YTD ACTUAL</u>	<u>2015 ANNUAL BUDGET</u>
Fund Balance 1/1/XX:	\$80,858	\$69,164	\$69,164
<hr/>			
REVENUES:			
Taxes			
Supplemental Aid			
Interest - Investments	787	491	750
Interest - Loans	-	-	-
Mortgage Payment	-	-	-
Fund Balance Usage	-	-	14,750
TOTAL REVENUES	<u>787</u>	<u>491</u>	<u>15,500</u>
EXPENDITURES:			
Supplies/Materials	17	11	100
Other Services/Charges	12,464	14,950	15,400
TOTAL EXPENDITURES	<u>12,481</u>	<u>14,961</u>	<u>15,500</u>
REVENUES > EXPENDITURES	<u>(11,694)</u>	<u>(14,470)</u>	-
<hr/>			
FUND BALANCE			
Fund Balance Usage	<u>(11,694)</u>	<u>(14,470)</u>	
FUND BALANCE 12/31/XX	<u>\$69,164</u>	<u>\$54,694</u>	<u>\$69,164</u>



**CITY OF GRAND RAPIDS
ECONOMIC DEVELOPMENT AUTHORITY
SCHEDULE OF CHANGES IN REVENUE, EXPENDITURES, AND FUND BALANCE
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2015**

Fund Balance 1/1/15 \$913,253

REVENUES:

Taxes	56,067
Supplemental Aid	3,552
ST/MN-DEED Grant	275,837
Taconite Production Tax	
Interest- Investments	5,822
Interest- Loans	6,016
Miscellaneous	21,768
Developer Asst Reimbursements	68,488
Payment from Govt Unit	
Principal-Loan Payments	35,389
Loan Proceeds	350,000
TOTAL REVENUES	<u>\$822,939</u>

EXPENDITURES:

Annual Single Audit Fee	129
Ainsworth Facility Redevelopment	81,046
Contribution to Tourism Study	2,500
Airport South Industrial Parks	594,786
Comm. Building Improvement Loan Program	112,543
CIAC Fee Natural Gas Hookup	134,275
Central School Redevelopment	22,447
Downtown Block 18-21	176
DEED Development Programs	275,837
TOTAL EXPENDITURES	<u>\$1,223,739</u>

2015 REVENUES > EXPENDITURES (\$400,800)

FUND BALANCE 12/31/15 (1) \$512,453

Please Note:

(1) The Fund Balance includes designations for the Comm Bldg Imprv Loans of \$175,664

2016 Work Plan – Overview of Process

The GREDA recently completed the development of their 2016 Work Plan. The work plan development process first involved a review of the unfinished business from the 2015 Work Plan, and a review of the goals stated within Economic Development Element of the Comprehensive Plan. From that exercise, the GREDA Commissioners identified a list of potential objectives for 2016. Those potential objectives were examined and ranked by the individual GREDA members, and, through additional group discussion, the GREDA approved a list of priorities and a work approach for the issues they will take a lead role in completing, those that they will partner with others on, and those they will provide support to.

In developing the list of priority issues, the GREDA considered the following criteria:

- 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 any other entity, commission or department achieve this objective?

The resulting work plan can be found on the following two pages of this report.





Grand Rapids Economic Development Authority 2016 Work Plan

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

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



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



* 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"> 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. 	<ul style="list-style-type: none"> Explore ways for the HRA, GREDA and the City to collaborate in this area. 	<ul style="list-style-type: none"> 	<ul style="list-style-type: none">
Consider possible roles for GREDA in assisting MDI in establishing a regional recycling facility.	Partner	<ul style="list-style-type: none"> Respond to contact from MDI as project develops. 	<ul style="list-style-type: none"> Respond to contact from MDI as project develops. 	<ul style="list-style-type: none"> Respond to contact from MDI as project develops. 	<ul style="list-style-type: none"> Respond to contact from MDI as project develops.
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"> 	<ul style="list-style-type: none"> Provide input into the study's public process as it pertains to downtown and riverfront development plans 	<ul style="list-style-type: none"> Provide input into the study's public process as it pertains to downtown and riverfront development plans. 	<ul style="list-style-type: none">





CITY OF
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REQUEST FOR GRAND RAPIDS EDA ACTION

Agenda Item # 10	Meeting Date: 4/14/16
Statement of Issue:	Consider the election of GREDA Officers
Background:	<p>In accordance with the Bylaws of the Grand Rapids Economic Development Authority, the officers of GREDA include a President, Vice President, and Secretary/Treasurer. The Bylaws state that officers shall be elected to a one-year term.</p> <p>The present GREDA officers are:</p> <p style="padding-left: 40px;">Sholom Blake – President Chris Lynch – Vice President Dale Christy – Secretary/Treasurer</p> <p>The appointments to be considered will run until March 31, 2017.</p>
Recommendation:	<p>The President will request nominations for Secretary/Treasurer first; it is customary to nominate one or more candidates. When all nominations have been made for this position, then the vote is taken on each, in the order in which they were nominated, until one is elected. The nominations need not be seconded.</p> <p>The same process will then be used for the positions President and Vice President.</p>
Required Action:	Consider nominations to elect a Secretary/Treasurer, Vice-President and President positions for the following calendar year, with terms ending the last day of March 2017.
Attachments:	