

## GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

Thursday, March 10, 2016  
4:00pm  
Grand Rapids City Hall

NOTICE IS HEREBY GIVEN, that a regular meeting of the Grand Rapids Economic Development Authority will be held in Conference Room 2A in the Grand Rapids City Hall, 420 North Pokegama Avenue, in Grand Rapids, Minnesota on Thursday, March 10, 2016 at 4:00pm.

### AGENDA

1. Call to Order
2. Call of Roll
3. Setting of the Regular Agenda - *This is an opportunity to approve the regular agenda as presented or add/delete by a majority vote of the Commissioners present an agenda item.*
4. Approval of minutes from the January 28, 2016 regular meeting
5. Consider approval of claims
6. Consider approving a 2016 Central School lease with Visit Grand Rapids
7. Consider approval of a Commercial Building Improvement Loan and a SCDP Commercial Rehabilitation deferred loan for First Call for Help of Grand Rapids for improvements to the commercial building located at 1007 NW 4<sup>th</sup> St.
8. Updates:
  - a. United Development Solutions LOI
9. 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, JANUARY 28, 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, Chris Lynch, Michael Stefan. Absent: Mike Przytarski.

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

**APPROVAL OF MINUTES:**

**MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER LYNCH TO APPROVE THE MINUTES OF THE DECEMBER 10, 2015 REGULAR MEETING. The following voted in favor thereof: R. Blake, Jackson, S. Blake, Stefan, Christy, Lynch. Opposed: None, passed unanimously.**

**APPROVAL OF CLAIMS:**

**MOTION BY COMMISSIONER BLAKE, SECOND BY COMMISSIONER CHRISTY TO APPROVE CLAIMS IN THE AMOUNT OF \$48,775.68.**

|                      |          |                                   |             |
|----------------------|----------|-----------------------------------|-------------|
| City of Grand Rapids | \$166.60 | Itasca County H.R.A               | \$47,469.65 |
| Kennedy & Graven     | \$666.00 | Northern Star Cooperative Service | \$416.98    |
| P.U.C                | \$56.45  |                                   |             |

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

Consider approval of the 2016 Work Plan.

Community Development Director Mattei reviewed the 2016 Work Plan with the Commissioners. After review Commissioner Jackson suggested moving the meeting with the downtown business owners into 1<sup>st</sup> quarter or early 2<sup>nd</sup> quarter. Commissioner Christy asked if anyone was interested in volunteering with Commissioner Jackson and staff for the Central School Marketing Committee, President Blake volunteered.

**MOTION BY COMMISSIONER JACKSON, SECOND BY COMMISSIONER STEFAN TO APPROVE THE 2016 WORK PLAN WITH THE AMENDMENT MOVING THE MEETING OF THE DOWNTOWN BUSINESS OWNERS INTO THE 1<sup>ST</sup> QUARTER OR EARLY 2<sup>ND</sup> QUARTER.**

There being no further business the meeting adjourned at 4:38 p.m.

Respectfully submitted:

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Aurimy Groom, Recorder

**DRAFT**

EDA BILL LIST - MARCH 10, 2016

DATE: 03/03/2016  
 TIME: 14:36:05  
 ID: AP443000.CGR

CITY OF GRAND RAPIDS  
 DEPARTMENT SUMMARY REPORT

PAGE: 1

INVOICES DUE ON/BEFORE 03/10/2016

| VENDOR #                       | NAME  | AMOUNT DUE  |
|--------------------------------|---|-------------|
| ECONOMIC DEVELOPMENT AUTHORITY |   |             |
| 2308318                        | WHITE IVY GRAPHIC ARTS                      | 106.25      |
|                                | TOTAL                                       | 106.25      |
| EDA - CAPITAL PROJECTS         |   |             |
| DOWNTOWN REDVELPMNT BLK 18-21  |   |             |
| 1105530                        | KENNEDY & GRAVEN                            | 57.00       |
|                                | TOTAL DOWNTOWN REDVELPMNT BLK 18-21         | 57.00       |
| AIRPORT SOUTH INDUSTRIAL PARKS |   |             |
| 0221650                        | BURGGRAF'S ACE HARDWARE INC                 | 11.99       |
|                                | TOTAL AIRPORT SOUTH INDUSTRIAL PARKS        | 11.99       |
| AINSWORTH FACILITY REDEVELPMNT |   |             |
| 1900225                        | SEH-RCM                                     | 1,760.00    |
|                                | TOTAL AINSWORTH FACILITY REDEVELPMNT        | 1,760.00    |
|                                | TOTAL UNPAID TO BE APPROVED IN THE SUM OF:  | \$ 1,935.24 |
| CHECKS ISSUED-PRIOR APPROVAL   |   |             |
| PRIOR APPROVAL                 |   |             |
| 1415511                        | NORTHERN STAR COOPERATIVE SERV              | 357.12      |
| 2209665                        | VISA  | 30.00       |
|                                | TOTAL PRIOR APPROVAL ALLOWED IN THE SUM OF: | \$ 387.12   |
|                                | TOTAL ALL DEPARTMENTS                       | 2,322.36    |



## REQUEST FOR GRAND RAPIDS EDA ACTION

|                            |   |
|----------------------------|---|
| <b>Agenda Item #6</b>      | <b>Meeting Date:</b> 3/10/16  |
| <b>Statement of Issue:</b> | Consider approving a 2016 Central School lease with Visit Grand Rapids  |
| <b>Background:</b>         | <p>Visit Grand Rapids is concluding a three year lease for space on the second floor of Central School on March 31<sup>st</sup>. This previously negotiated lease doesn't follow the current master lease used by GREDA, which has a term of one year and has tenants responsible for any property tax.</p> <p>The new lease, which has already been approved by the Visit Grand Rapids Board, follows the terms of the current master lease, with an end date of 12/31/16 and a rental rate consistent with the other tenants on the second floor.</p> |
| <b>Recommendation:</b>     | Approve the lease and authorize the GREDA President to execute them on behalf of GREDA  |
| <b>Required Action:</b>    | Consider a motion to approve a 2016 Central School lease with Visit Grand Rapids  |
| <b>Attachments:</b>        | 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 **Visit Grand Rapids, a non-profit 501(c) (6) Corporation**, hereinafter referred to as "Lessee", entered into this \_\_\_ day of **March 10, 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 1068 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 **April 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, 2016, 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 **1<sup>ST</sup>** day of **April, 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 of 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:

Visit Grand Rapids  
% Executive Director  
10 NW 5<sup>th</sup> St., Suite 212  
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 re-entry 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: \_\_\_\_\_

BY: Melvin A. Smith

BY: H.G.R.

Its President

Date: 2-17-16

## Exhibit A – Location in the Building

Visit Grand Rapids is located in two rooms on the Second Floor in the Northeast Room (Suite 212) and the adjacent Middle East Room consisting of a total a total of 1,068 square feet.

## Exhibit B – Use of Space

The space leased by Visit Grand Rapids is used for office space for the corporation. Their mission is to do market destination for the Grand Rapids area.

Exhibit C – Improvements

None



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

## REQUEST FOR GRAND RAPIDS EDA ACTION

|                            |  |
|----------------------------|--|
| <b>Agenda Item #7</b>      | <b>Meeting Date:</b> 3/10/16   |
| <b>Statement of Issue:</b> | Consider approval of a Commercial Building Improvement Loan and a SCDP Commercial Rehabilitation deferred loan for First Call for Help of Grand Rapids for improvements to the commercial building located at 1007 NW 4 <sup>th</sup> St.  |
| <b>Background:</b>         | <p>First Call for Help has submitted an application for a Commercial Building Improvement Loan and for a SCDP Commercial Rehabilitation grant for planned improvements to the building located at 1007 NW 4<sup>th</sup> St. First Call for Help purchased the subject property in late 2015 (formerly owned by the Duluth Teamsters) to move their operations into, as well as sublease space to two other organizations.</p> <p>First Call for Help intends to complete an exterior renovation of their building through: replacing siding, doors, windows and potentially replacing the building's furnace, totaling \$67,000.</p> <p>The CBIL program will provide financing for \$35,000 of the project cost, and the SCDP Commercial Rehabilitation grant will cover \$32,000 of the total project cost.</p> |
| <b>Recommendation:</b>     | Consider approval of a Commercial Building Improvement Loan and a SCDP Commercial Rehabilitation deferred loan for First Call for Help of Grand Rapids for improvements to the commercial building located at 1007 NW 4 <sup>th</sup> St.  |
| <b>Required Action:</b>    | Consider the passing an appropriate motion.  |
| <b>Attachments:</b>        | Loan Applications  |



**Commercial Building Improvement Loan Application**

Grand Rapids Economic Development Authority  
 c/o Community Development Department  
 420 North Pokegama Ave.  
 Grand Rapids, MN 55744  
 Tel. (218) 326-7601 Fax (218) 326-7621  
 www.grandrapidsmn.org

| Community Development Office Use Only |       |
|---------------------------------------|-------|
| Date Received                         | _____ |
| GREDA Review Date                     | _____ |
| GREDA Approval                        | _____ |

**Applicant Information:**

The undersigned do hereby respectfully request the Grand Rapids Economic Development Authority's consideration of a Commercial Building Improvement Loan: *(If the applicant is not the property owner, the property owner must, also, sign the application.)*

FIRST CALL FOR HELP  
 Name of Applicant (print)  
1007 NW 4TH STR STE B  
 Address  
GRAND RAPIDS MN 55744  
 City State Zip  
218-326-7565  
 Telephone/ E-Mail  
CLAUDE@FIRSTCALLHELP  
 Doing business as:

NOT FOR PROFIT  
 Name of Owner (print)  
BOARD OF DIRECTORS  
 Address  
SAME AS ABOVE  
 City State Zip  
 Telephone/E-Mail

What is your interest in the building/property? *(check one)*

- Own the Business                       Lease the building  
 Purchasing the building on contract for deed       Other: \_\_\_\_\_

**Project Information:**

Tax Parcel # 91-420-2420                      Existing Zoning: COMMERCIAL  
 Existing Use: OFFICE SPACE                      Proposed Use: SAME  
 Property Address / Location: 1007 NW 4TH STR GRAND RAPIDS  
 Legal Description: \_\_\_\_\_  
*(attach additional sheet if necessary)*

Description of your proposed commercial building improvement project: NEW SIDINGS, WINDOWS DOORS AND POSSIBLY FURNACE  
*(attach additional sheet if necessary)*

Are you coordinating your project with any neighboring businesses?  Yes  No

If yes, please provide their name(s) and the nature of their project(s): \_\_\_\_\_

When would you like to begin your project? ASAP  
 How much time will be needed to complete the project? 120 DAYS - POST BID ACCEPTANCE

If your project is located in the CBD (Central Business District), please explain how it furthers the objectives stated within the *Downtown Redevelopment Master Plan*. *(if applicable)*

WE ARE LOCATED ON THE WEST END OF CBD. IMPROVING CURB APPEAL FOR THE AREA.  
*(attach additional sheet if necessary)*

**Project Cost/Financing:**

The GREDA Commercial Building Improvement Loan Program may finance up to 35,000 of eligible project costs, whichever is less.

Please provide a breakdown of this estimated cost by construction category (*attach copies of quotes*):

| Construction Item/Category   | Estimated Cost (Quote) |
|------------------------------|------------------------|
| REMOVE/REPLACE SIDING        | 30,000.00              |
| REPLACE WINDOWS              | 32,000.00              |
| REMOVE W. INTERIORS          | 2,500.00               |
| FINISH REPAIRMENT            | 6,000.00               |
| REPLACE DOORS                | 6,500.00               |
| <b>Total Estimated Cost:</b> | <b>67,000.00</b>       |

(attach additional sheet if necessary)

Please provide a list of proposed/secured financing sources:

| Source   | Secured (yes/no) | Amount           |
|--|------------------|------------------|
| GREDA Commercial Bldg. Improvement Loan (requested amount) |                  | 35,000.00        |
| Bank   |                  |                  |
| Cash   |                  |                  |
| Other (specify) <u>SCP</u>                                 |                  | 32,000.00        |
| Other (specify) _____                                      |                  |                  |
| <b>Total \$</b>  |                  | <b>67,000.00</b> |

**Required Submittals with Application:**

- Application Fee - \$150.00
- Building/Site Photos
- Concept Plan
- Copies of Tax Returns (past 3 years)
- Cash Flow Projections (3 years)\*
- Estim. Income Statements (3 years)\*
- Business Plan
- Letters of Commitment N/A
- Credit Report
- Evidence of ownership in the form of title insurance, title opinion, or copy of deed
- Marketing Information

\* MN Small Business Development Center at Itasca Economic Development Corp. can assist with this, free of charge.

**If Loan is Approved, Additional Submittals Required Prior to Disbursement of Funds:**

- Verification that building is insured at a level equal to its value, with the GREDA listed as an additional insured.
- Ownership and encumbrance report
- Copies of receipts for project expenses.
- Verification from the City Building Official that the project is complete.
- Security: Personal guarantee in the form of a Promissory Note (*form provided by City*) and a mortgage.

**INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED**

More information may be requested by the Grand Rapid Economic Development Authority, if deemed necessary, to properly evaluate your request.

I certify that, to the best of my knowledge, information, and belief, all of the information presented by me in this application is accurate and complete and includes all required information and submittals, and that I consent to entry upon the subject property by public officers, employees, and agents of the City of Grand Rapids wishing to view the site for purposes of processing, evaluating, and deciding upon this application. Further, I have read and fully understand the CBIL Program Guidelines described as Exhibit A to GREDA Resolution 08-03.

Signature(s) of Applicant(s) \_\_\_\_\_ Date 2-20-16





CITY OF GRAND RAPIDS  
1000 W. WASHINGTON ST.  
GRAND RAPIDS, MN 55425

|                   |       |
|-------------------|-------|
| Office Use Only   |       |
| Date Received     | _____ |
| GREDA Review Date | _____ |
| GREDA Approval    | _____ |

### City of Grand Rapids/ Itasca County Housing and Redevelopment Authority (ICHRA)

### APPLICATION FOR COMMERCIAL REHABILITATION

The information requested in this application is required to determine eligibility for this program. Some of the data requested may be classified as "private data on individuals" under Minnesota statutes 462A.065. Use of data obtained is limited to that necessary for determining eligibility for and administration of this program. The information may ultimately be made available to other governmental agencies, including but not limited to the Minnesota Housing Finance Agency and the U.S. Department of Housing and Urban Development

Name of building owner: FIRST CALL FOR HELP

Mailing address: 1007 NW 4TH ST. SUITE B, GRAND RAPIDS, MN

Telephone number: 218 326-1765

Do you have any commercial tenants in your building? (Yes/No) How Many? 2

Do you have any residential rental units in your building? (Yes/No) How Many? ---

Have you previously received a loan or grant through GREDA? (Yes/No) No

Do you have an existing mortgage on your building? (Yes/No) Balance unpaid: 77,000.00

Do you have an existing contract-for-deed on your building? (Yes/No) Balance unpaid: ---

If you have purchased your building on a contract-for-deed basis, the person from whom you have purchased it will have to agree to your participation in the program. The reason for this is because a lien will be placed on the property in the amount of the cost of improvements. If your contract holder will not authorize placement of a lien you are not eligible for this program.

Do you have any judgments for unpaid taxes or other debts been filed against your building? (Yes/No)

Have you paid all real estate taxes which are due? N/A (Yes/No) Please attach a copy of your most recent property tax statement.

You must submit a copy of your recorded deed or contract-for deed. If you do not have a copy you can obtain one from the Itasca County Recorder.

#### Allowable Improvements:

Building improvements, eligible for funding under this program, are categorized as follows

- Improvements/modifications to the front façade and other exterior faces of the building
- Modifications improving or establishing handicapped accessibility in a building
- Modifications correcting existing building code non-compliance.
- Improvements that enhance the buildings energy efficiency.

#### Project Description and Cost:

Please describe the proposed project? RENOVATION OF 1007 NW 4TH ST. SUITE B, GRAND RAPIDS, MN

When would you like to begin your project? ASAP

Itasca County MRF  
 RECEIVED  
 10/10/08  
 [Signature]

The SCDP Commercial Rehabilitation Program may finance up to 60% or \$32,000 of eligible project costs, whichever is less. Please provide a breakdown of this estimated cost by construction category (attach copies of any quotes):

| Construction Item/Category                  | Estimated Cost   |
|---|------------------|
| Struct                                      | 36,700.00        |
| Interior                                    | 27,700.00        |
| Roofing                                     | 2,500.00         |
| Exterior                                    | 6,500.00         |
| Other                                       | 6,500.00         |
| <b>Total Estimated Cost of the Project:</b> | <b>80,000.00</b> |

**Project Financing:**

Please provide a list of proposed financing sources for your project:

| Source   | Amount           |
|--|------------------|
| Commercial Rehabilitation Deferred Loan (requested amount) | 32,000.00        |
| Bank   |                  |
| Cash   |                  |
| GREDA CBIL   | 5,000.00         |
| Other (specify)  |                  |
| <b>Total \$</b>  | <b>37,000.00</b> |

Do you have letters of commitment for the matching funds for the proposed project? (Yes/No) If yes, please attach them to the pre-application.

Are you interested in applying for matching funds from the GREDA CBIL program? (Yes/No) If yes, please submit an application form with this application. Application forms can be downloaded at: [www.grandrapidseda.com](http://www.grandrapidseda.com) - (Business Incentive – Local Incentives – CBIL Program – CBIL Application)

Will the proposed project result in any new jobs being created? (Yes/No) If yes, how many: Full Time \_\_\_\_\_ Part Time \_\_\_\_\_ If yes, what type(s) of jobs will be created? \_\_\_\_\_

**INCOMPLETE APPLICATIONS WILL NOT BE ACCEPTED**

More information may be requested by the City, the Grand Rapid Economic Development Authority, or Itasca County Housing and Redevelopment Authority if deemed necessary, to properly evaluate your request.

ANY PERSON WHO MAKES A FALSE STATEMENT OR MISREPRESENTATION IN CONNECTION WITH APPLICATION FOR STATE OR FEDERAL HOUSING REHABILITATION FUNDS IS SUBJECT TO A FINE OR IMPRISONMENT, OR BOTH, UNDER THE MINNESOTA CRIMINAL CODE, AND WILL BE REQUIRED TO RETURN ALL OR PART OF THE FUNDS RECEIVED TO THE FUNDING SOURCE

I, THE UNDERSIGNED, CERTIFY SUBJECT TO PENALTY UNDER LAW THAT THE ABOVE INFORMATION IS TRUE AND CORRECT TO THE BEST OF MY KNOWLEDGE AND BELIEF.

Applicant Signature

Co-Applicant Signature



Image capture: Nov 2015 © 2016 Google

## 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 & Anita Madden | 702 NW 4th St.  | New doors to address code requirements, exterior painting and brick wainscoting and bathroom remodel    | \$68,700.00             | \$32,000.00  | \$35,000.00        | \$1,700.00                | Project Completed           |
| Yes          | Itasca 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          | Pasties Plus Bldg./Dan and Jean Anderson  | 1405 NW 4th St. | Siding, soffit, and fascia painting, new windows and doors and new roofing.                             | \$36,981.00             | \$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 Budrow   | 4 NW 3rd St.    | Window and Door Replacement   | \$46,314.00             | \$0.00       | \$34,735.50        | \$11,578.50               | Project Under Construction  |

Subtotals: \$405,574.66  
 Available SCDP Commercial Rehab. funding: \$192,000.00  
 SCDP Fund Balance: \$41,811.40

**Notes:**

The CBIL Program Loans that are SCDP projects carry a term of 10 years at 1% 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.**