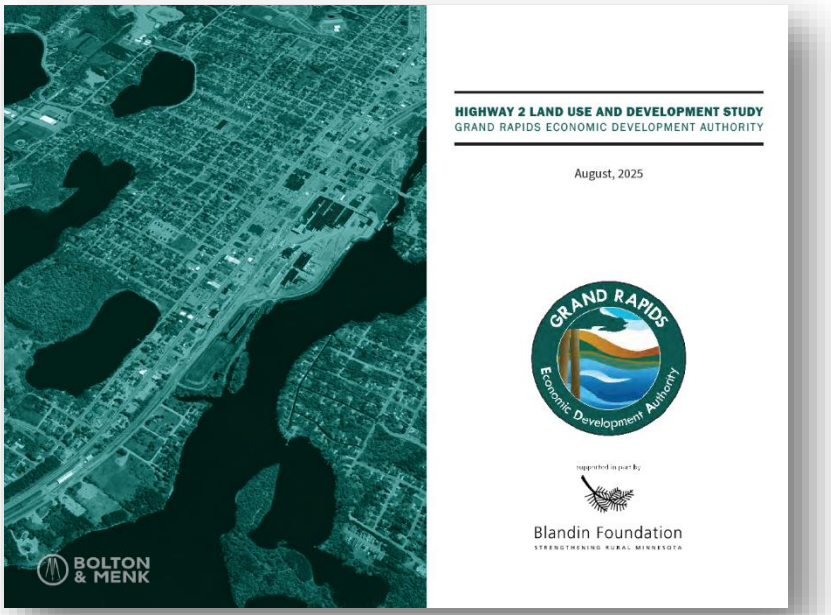
Grand Rapids Highway 2 West Redevelopment – West Pines Motel – Narrative

The Grand Rapids Economic Development Authority (GREDA) recognized the need for strategic new investment to stave off the decline in the condition of properties in the Highway 2 West commercial corridor. With financial support from the Blandin Foundation, GREDA completed the *Highway 2 Land Use and Development Study* which identifies priorities for addressing blighted, underperforming properties as well as those properties being impacted by the presence of contamination. The Plan establishes a community supported vision and goals for the Corridor, and provides an actionable, implementable "toolbox" of strategies that will guide investments and improvements for the next ten to fifteen years.



The project to renovate the former Pine Grove Motel, now the West Pines Motel, could not be more aligned with the objectives of the plan for the corridor.

For two years the motel sat vacant and in significant disrepair. Since the new owners Luke and Ashley St. Germain acquired the property in 2023, they have upgraded the signage and done significant interior updating to restore the 10 rooms. The interior restoration, which required a significant amount of sweat equity by the owners, has allowed the motel to begin operating again and is currently 100% occupied as extended stay rooms with many of them for Mesabi Metallics employees.

The next phase of the project focuses on a much-needed exterior overhaul, including the removal and replacement of existing materials and improvements to the building's appearance, energy efficiency, and functionality. With more than $700,000 in total investment anticipated across the property purchase, previous renovations, and this next phase, the owners are committed to the long-term success of West Pines Motel and its continued contribution to the Grand Rapids business community.

The project will also improve the property's energy efficiency. The owners have already upgraded five units with more efficient packaged terminal air-conditioning (PTAC) units. In this next phase, they plan to complete interior and exterior demolition to enable them to upgrade the remaining five units and the manager's living area, remove eight existing window air-conditioning units and installing seven mini-split systems, replacing nine exterior unit-entry doors with properly insulated doors, and replace windows in five units. These improvements will help modernize the property, improve comfort for guests, and reduce unnecessary energy loss.

The economic impact of the project, however, extends beyond the property itself. The motel guests, including seasonal workers and other individuals staying in the area temporarily, bring business to

nearby restaurants, retailers, and other local establishments. Throughout the renovation work, the owners have also relied on local businesses for plumbing, electrical, construction, and remodeling services. Once the project is complete, we anticipate employing an on-site manager and two additional part-time cleaning employees, with wages exceeding $15 per hour for the cleaning positions.

The long-term operating plan will maintain a mix of five extended-stay units and five units available for nightly and weekly rentals. This flexible approach will serve visitors and seasonal workers while also providing temporary lodging options for residents experiencing a transition between housing arrangements.

The requested IRRR Commercial Redevelopment grant of $15,500 will leverage the total project cost of this phase of the project, $285,000 by a ratio of 18:1.

This project incorporates a targeted business owner. Luke St. Germain is a veteran that has worked with the Minnesota Assistance Council for Veterans (MACV) to help temporarily house a veteran in immediate need of housing. He has also served on the board of Grace House, a homeless shelter in Grand Rapids, and has helped individuals referred to them who needed temporary lodging.

The project is in Census Tract 4808.05 that is an Environmental Justice Area where 49% of the residents reported an income less that 200% of the federal poverty level.

This project is also supported by the *2020 City of Grand Rapids Comprehensive Plan* economic development goals to:

- Recruit new businesses and support entrepreneurs that add jobs and income opportunities.
- Support investments with tourism value.

