



*Creating Organizational Capacity to
Support Downtown Grand Rapids*

October 4, 2024

Financial support for Downtown Grand Rapids capacity building provided by



Acknowledgements

The following people gave generously of their time to visit five communities learning first-hand how these communities organized private and public resources to cultivate vibrant downtown areas.

Downtown Tour Participants (April 29-May 2, 2024) Cambridge, Northfield, Owatonna, St. Peter, Hutchinson	
Malissa Bahr	Grand Rapids Area Chamber of Commerce
Emily Bujold	Hotel/Boutique
Michelle Carlson	Ives Realty
Megan Christianson	Visit Grand Rapids
Amanda Lamppa	IEDC
Shannon Mann	UPM
Bill Martinetto	Rapids Brewing Co.
Amanda McCabe	Rapids Brewing Co
Brandon Otway	Free Range Food Coop
Rob Mattei	City of Grand Rapids
Tom Pagel	City of Grand Rapids
Matt Wegwerth	City of Grand Rapids
Janna King	Consultant

Public Meetings: Three meetings were held at Rapids Brewing Co. and City Hall in January, May and August to keep downtown stakeholders informed about the process. Approximately 45-50 people participated in these meetings.

The following people contributed to the preparation of this report. We are grateful for their ideas and their time.

Report Advisors	
Malissa Bahr	Grand Rapids Area Chamber of Commerce
Michelle Carlson	Ives Realty
Megan Christianson	Visit Grand Rapids
Shannon Mann	UPM
Bill Martinetto	Rapids Brewing Co.
Mindy Nuhring	Grand Rapids Area Community Foundation
Rob Mattei	City of Grand Rapids
Dan Swenson	City of Grand Rapids

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Creating Organizational Capacity for Downtown Grand Rapids

Introduction

Based on extensive resident, visitor and business engagement, the Grow Grand Rapids 2040 Comprehensive Plan identified maintaining a vibrant downtown as a priority and recommended that Grand Rapids 2006 Downtown Plan be updated. In 2023, the Grand Rapids Economic Development Authority (GREDA) completed an Update to the Grand Rapids Downtown Plan. The lack of an organization to serve as a public-private coalition to support downtown was identified as a barrier to a healthy downtown area, and the establishment of such an organization was identified as a priority in the plan.

In January 2024, the EDA established an Advisory Committee of downtown stakeholders, comprised of business and property owners and anchor institutions in the community to advance the goal of creating organizational capacity to support and provide ongoing guidance to Downtown Grand Rapids. The Advisory Committee was charged with learning about how successful downtowns in peer communities cultivate vibrant downtown areas and make recommendations regarding a workplan, budget, and organizational capacity needed to support Downtown Grand Rapids. Members of the Advisory Committee participated in a three-day, two-night tour of five peer downtown areas in Minnesota to learn more about how communities organize to cultivate vibrant community centers. This report was informed by nationally recognized principles for successful downtown areas, the 2023 Downtown Plan Update, a consultant with recognized experience and success in downtown revitalization, and the experience and insights provided by members of the Advisory Committee. This report summarizes the process and recommendations of this group regarding the formation of a new downtown organization.

Grand Rapids Downtown Alliance

The name Grand Rapids Downtown Alliance was chosen to reflect a coalition of public and private interests that care about Downtown Grand Rapids. Business owners, property owners and organizations that are located downtown are critical to the success of downtown organizations, and the engagement and support of the broader community is also very important and welcome. Downtown is the heart of the community. It reflects the history of Grand Rapids and holds many shared experiences and memories. It's a place where residents and visitors shop, dine, visit galleries, a dentist or an accountant, go to the library, meet friends and join with the community for music festivals or holiday events. A vibrant downtown creates a positive impression of the community, which is important to retaining and attracting residents and talent for area employers. The word "alliance" best reflects the coalition of interests that care about maintaining a vibrant downtown in Grand Rapids.

Downtown stakeholders will be actively involved in the Alliance in a variety of ways.

- Volunteering on the board, committees or at events
- Generating financial support for the organization and events
- Advocacy with funders, grantors, partners and the city
- Providing honest feedback
- Publicizing and supporting opportunities, events and downtown businesses
- Celebrating successes

Organizational Structure and Office Space

Based on suggestions from the Advisory Committee, the consultant explored the potential to incorporate the downtown effort into existing non-profit organizations in the community rather than establish a separate non-profit corporation. Four potential non-profit sponsor/partners were approached: Itasca Economic Development Corporation (IEDC), Visit Grand Rapids, Grand Rapids Area Chamber of Commerce and the Grand Rapids Area Community Foundation. All four organizations are supportive of the effort and participated actively on the Advisory Committee and downtown tour. However, integrating a new downtown program into their operations was not a good fit for a variety of reasons including lack of a downtown office for two of the organizations; no additional staff capacity at IEDC; statutory limitations on hotel/motel tax funds administered by Visit Grand Rapids; and the broad regional scope (Duluth to Remer) of the Grand Rapids Area Chamber of Commerce. Although none of the organizations was able to offer a long term home for the downtown initiative, interim support was offered to help establish the Grand Rapids Downtown Alliance. Additionally, the Advisory Committee identified an important vulnerability for the downtown effort should it become a program of another entity – it would be subject to the decisions of board members or executive officers working for organizations with a different or broader mission or geographic scope. Establishing a non-profit with a clear focus on the mission to strengthen Downtown Grand Rapids is recommended.

A key component of organizational structure is securing leadership for the organization. A position description was prepared to clearly define the roles and responsibilities, skills and experience of an Executive Director.

What's Next?

During a 6-18 month start-up period, the Grand Rapids Community Foundation is willing to serve as a fiscal sponsor while an independent 501(c)3 organization and related administrative capacity is being established. The position description is available to assist the Alliance in recruiting an individual with the appropriate skills and experience. The Grand Rapids Area Chamber of Commerce is willing to provide office space and assistance to the new executive

director during this 6-18 month startup period. The Advisory Committee will continue to guide the process until a successor governance process is established.

Workplan and Budget

A preliminary workplan and related budget have been created to guide the start-up of the public-private Alliance by a consultant who is experienced in leadership of a downtown organization, chamber of commerce, civic center, visitor's bureau and economic development organizations. Development of the workplan and budget was guided by members of the Advisory Committee with insights from their experiences and communities visited on the tour.

What's Next

During start-up the organization will require the support of the foundation community, area businesses and employers, and GREDA. Over the course of the initial 5 years it is expected to reduce its dependence on foundation support and transition to a financial base supported by memberships, sponsorships, fees, grants and fundraising activities.

Start-up expenses, including initial cash flow are projected to be \$_____. An annual operating budget of \$136,000 is recommended for the first year, with annual adjustments for inflation and short-term or one-time projects. Funding will be sought from foundations and anchor institutions and partners to support start-up.

The City expects to make substantial contributions to maintaining a healthy downtown through a variety of activities and departments including:

- Planning, engineering and design studies
- Coordination with MNDOT
- Staff time from the Public Works, Community Development, and Parks and Recreation Departments
- GREDA financing tools and support for grants and loans to businesses
- Infrastructure investments (e.g., streetscape, signage, lighting)



Downtown Workplan
2025-2026

October 3, 2024

Financial support for Downtown Grand Rapids capacity building provided by



Background

Based on extensive resident, visitor and business engagement, the Grow Grand Rapids 2040 Comprehensive Plan identified maintaining a vibrant downtown as a priority and recommended an update to the community's 2006 downtown plan. In 2023, the Grand Rapids Economic Development Authority (GREDA) completed an Update to the Grand Rapids Downtown Plan. To advance the goal of creating organizational capacity to support and provide ongoing guidance to Downtown Grand Rapids, the EDA established an Advisory Committee of downtown stakeholders, comprised of business and property owners and anchor institutions in the community. The Advisory Committee was charged with learning about how successful downtowns in peer communities cultivate vibrant downtown areas and make recommendations regarding a workplan, budget and organizational capacity needed to support Downtown Grand Rapids. Members of the Advisory Committee participated in a three-day, two-night tour of five peer downtown areas in Minnesota to learn more about how communities organize to cultivate vibrant community centers. The following workplan is based on nationally recognized principles for successful downtown areas, the 2023 Downtown Plan Update, and insights gathered by member of the Advisory Committee.

Organization

Lead Responsibility: Executive Committee, Board with support from staff

Establish a public-private organization focused on long-term downtown vitality with the capacity to act strategically and respond to market challenges and opportunities. The organization should have a governing board and committees aligned with the workplan. Committees should meet as needed to accomplish workplan goals. Recommended committees include:

- Executive Committee to oversee organizational matters
- Finance and Technical Assistance
- Physical Design and Appearance
- Market Strategy Committee
- Activate! Committee
- Strategic Communications

Year One

- a) Recruit and orient new board members
- b) Establish governance and good management processes

- c) Secure staff or contract leadership for the organization. Establish office. Secure other capacities as needed through memorandums of understanding or contracts with other organizations.
- d) Recruit people to serve on committees needed to support implementation of the workplan. Committee members should have relevant knowledge and provide public and private insights and guidance to implementation of the downtown plan.
- e) Begin implementation of the workplan
- f) Establish metrics for measuring progress and impact meaningful for Years 1- 5 to ensure the use of consistent metrics over time

Year Two

- a) Implement workplan with active board, committee, and staff leadership involvement
- b) Monitor progress and impact in preparation for first annual report to stakeholders and funders
- c) Prepare workplan for Year 3 and 4 with input from staff, board, committees and other stakeholders

Finance and Technical Assistance

Maintain up-to-date financing and technical assistance tools and build awareness and understanding of these tools among business and property owners, entrepreneurs and advisors (e.g., accountants, bankers, real estate professionals, attorneys). Work with the Communications Committee to promote financing tools effectively to key audiences.

Lead Responsibility: Finance and Technical Assistance Committee and Grand Rapids EDA

Year One

- a) Engage lenders, small businesses and advisors in a discussion about financing challenges limiting downtown revitalization. Develop and update financing tools to respond to challenges and opportunities in Grand Rapids. Consider options of interest from 2024 tour of 5 downtowns. Identify potential sources of funding to capitalize the financing tools.
- b) Work with Communications Committee to promote the financing tools ensure awareness among businesses, entrepreneurs and their advisors.
- c) Collaborate with the Chamber and Itasca Economic Development Corporation (IEDC) to promote small business and entrepreneurial education and counseling.

Year Two

- a) Capitalize new financing tools through grants from public and foundation sources.

- b) Work with Communications Committee to promote the financing tools ensure awareness among businesses, entrepreneurs and their advisors.
- c) Work with the Chamber and IEDC to create a special focus on downtown entrepreneurship opportunities (e.g., business plan competition targeted to vacant & underutilized properties, building renovation “boot camp” for entrepreneurs)

Physical Design and Appearance

Support the vitality of downtown by creating an attractive, safe and welcoming environment.

Lead Responsibility: Physical Design and Appearance Committee with support from Grand Rapids EDA, Community Development and Public Works staff

Year One

- a) Create a wayfinding plan for bikes, pedestrians, mobility devices, and vehicles
- b) Consider overlay zones or ordinance modifications to support the guidance of the development districts identified in the Downtown Plan Update 2023
- c) Create design standards to facilitate development along active alleys, supporting primary access to businesses from an alley, pedestrian friendly and activation features.
- d) Facilitate investment and revitalization of the opportunity sites
 - Support development of a food cooperative on Block 36, owned by the EDA
 - Support efforts to secure funding to support physical revitalization of the Central School building and site that reflects market conditions and the overall context of the downtown plan
 - Support revitalization and redevelopment of EDA and privately owned properties identified in the 2023 Downtown Plan Update
 - Respond to emerging opportunities to revitalize or redevelop buildings and sites
- e) Work with MNDOT for planning and execution of
 - Wayfinding for pedestrians, bicycles, vehicles and mobility devices
 - Improvements to US 2 through Downtown
 - Redesign and restriping of US 169 between the Mississippi River and US 2
 - Redesign and construction of pedestrian and intersection improvements at US 2 and Pokegama/US 169 intersection to reduce free right movements & improvement pedestrian safety
 - Signage and signalization improvements
- f) Solidify the design standards and cross-section for the Downtown Circulator for future implementation and identify construction timing and funding

- g) Develop a plan for streetscape improvements, amenities and public art to attract residents and visitors, support the identity of downtown and the community, and encourage socialization. Include consideration of active alley spaces, downtown gateways, public restrooms, Itasca County Government Center Open Space and wayfinding into the plan.
- h) Integrate closure of sidewalk gaps throughout downtown into the city's capital improvement plan

Year Two

- a) Execute the Downtown Wayfinding Plan
- b) Contribute to the design and implementation of the Central School revitalization process
- c) Plan for and seek funding to implement the streetscape plan

Activate!

Activate downtown through creation of destination features (e.g., public art, storywalk), hosting community events and a variety of public, private and non-profit events that attract diverse market segments and age groups throughout the year. Actively market and promote downtown.

Lead Responsibility: Downtown Activation Committee with support from staff and collaboration with businesses, individuals and organizations.

Year One

- a) Collaborate with Visit Grand Rapids, the Chamber, private businesses, and other community organizations to activate downtown through events and activities and a broad range of marketing and promotion strategies.
 - Plan the annual calendar of major events to attract diverse age groups and market segments throughout the year and distribute the workload associated with events among various organizations. (e.g., Tall Timber Days, Riverfest, and Holiday themed events)
 - Plan a calendar of smaller seasonal, monthly or weekly activities to activate downtown like Farmer's Markets, art crawls, summertime vintage autos, Food Truck Fridays or Third Thursday events for a diversity of age groups and market segments.
- b) Cultivate opportunities for residents and visitors to build memories and positive associations with downtown through low-cost and unscheduled engagement opportunities like the Storywalk along the Mississippi and the xylophones at KAXE.

Possibilities are vast and include gathering spaces, simple foods like popcorn and ice cream, activities like scavenger hunts, sculpture walk, artistic hopscotch, heritage walk, photo opportunities, and picnic locations. Actively market and promote these assets.

- c) Identify branding for downtown Grand Rapids that is an authentic representation of the community and will appeal to a broad cross section of residents and visitors. Identify key audiences for downtown Grand Rapids and the most effective strategies for reaching various audiences.
- d) Develop systems for measuring the impact of various events, activities and marketing strategies using surveys, Zartico data, and business feedback.

Year Two

- a) Implement the activation, branding, marketing, promotion and communications strategies identified in Year One. Monitor progress and impact, share information with stakeholders, identify opportunities to strengthen marketing and promotion performance and integrate into Year 3 and 4 workplans.

Market Opportunities and Business Mix

Monitor market activity through data resources and surveys to identify underserved market opportunities with potential for downtown Grand Rapids through market studies, surveys and other strategies. Identify opportunities to make downtown Grand Rapids a more attractive destination for visitors and regional residents. Work with the communications committee to promote business opportunities to existing businesses, entrepreneurs and developers.

Responsibility: Market Strategy Committee with support from staff, consulting or academic resources

Year One

- a) Identify data resources that can be monitored on an ongoing basis to inform strategy and to identify trends and opportunities (e.g., MN Sales Tax data, Zartico data)
- b) Identify other research strategies that can be used periodically (e.g., regional resident and visitor surveys, business owner/manager surveys, event feedback)
- c) Consider the use of meaningful benchmarks (e.g., peer communities, peer events, regional sales/capita compared to Grand Rapids sales/capita)
- d) Begin tracking data and design survey instruments for use during an appropriate time of the year on a consistent, periodic basis

Year Two

- a) Track, analyze and communicate customer traffic, sales, customer characteristics and benchmark data to downtown stakeholders
- b) Identify strategies and opportunities to strengthen the business mix in downtown
- c) Share data and insights related to activation strategies (e.g., events, attractions) with Activation Committee
- d) Provide trend data to the Communications Committee to be shared with downtown business owners and stakeholders for strategy purposes, and with entrepreneurs, developers, partners and prospective businesses to strengthen downtown marketing and promotion.

Strategic Communications

Communicate with key external and internal audiences in a well-planned and timed manner. External audiences should include the general public - local and regional residents and visitors, and communication allies like Visit Grand Rapids and Explore Minnesota. Internal stakeholder audiences should include business and property owners, major employers, funders, and local philanthropic, non-profit and government leaders. Work closely with all committees to ensure that their work appropriately publicized and the Downtown Grand Rapids is actively marketed and promoted to key audiences.

Lead Responsibility: Communications Committee with support from staff

Year One

- a) Develop downtown branding and create guidelines for its use
- b) Identify key audiences and messages for external audiences and internal stakeholder communications
- c) Identify tactics and timing appropriate for external audiences and activity (e.g., major events, seasonal events, on-going activities). Tactics might include print, social media, website, videos personal meetings, group meetings, signage, flyers, e-mail, purchased media, radio interviews, blogs, partner communications, etc. Use branding and key messages on a consistent basis.
- d) Develop systems and partnerships that will enable business and event sponsors to post and update event details efficiently.
- e) Develop lines of communication and processes to support the work of the downtown committees (e.g. Finance and Technical Assistance, Activate!, Market Opportunities and Business Mix)

- f) Identify processes for engaging and communicating with internal stakeholders re: economic data, performance metrics, analysis, strategy and strategy refinements.
- g) Late in Year One, update communications strategy for Year Two based on Year One experiences.

Year Two

- a) Prepare an annual report for Year One and share highlights at a meeting with key stakeholders and funders early in Year Two.
- b) Implement Year Two communications strategy reaching out to all key internal and external audiences.



Position Profile

Executive Director

Grand Rapids Downtown Alliance

Grand Rapids Downtown Alliance, a new organization dedicated to the vitality of downtown Grand Rapids, MN is seeking qualified candidates to serve as its Executive Director.

Overview

Grand Rapids Downtown Alliance is a new organization that is being created to respond to community interest in maintaining a vibrant downtown as a priority identified during the City of Grand Rapids Comprehensive Plan update in 2020. The subsequent 2023 Downtown Plan identified five key goals to support the continued vitality of Downtown Grand Rapids.

- Establish an organization of stakeholders, business & property owners.
- Keep a focus on downtown's economic niche & strategic business mix.
- Optimize physical design & appearance to support economic niche & customer experience.
- Activate downtown with community events, flexible experiences like the riverfront story walk, and engagement within businesses (e.g., classes, events).
- Support investment with updated finance & technical assistance tools.

During start up the Downtown Alliance will be supported by the Grand Rapids Community Foundation, which will act as its fiscal sponsor, while the start-up organization transitions to becoming an independent 501(c)3 entity. The Grand Rapids Area Chamber of Commerce, located in the historic depot building downtown, will provide office space and host the organization during start-up. Central School, a historic property located in the heart of downtown and owned by the City of Grand Rapids, will serve as the office location for the Alliance following a 6-18 month start up period.



Why is it important to create an organization to provide leadership to ensure downtown vitality?

Grand Rapids (pop.11,271) is an important regional center in North Central Minnesota for employment, retail, professional services, government, health care, education, tourism, arts and culture. A vibrant downtown can attract residents, visitors and the talented workforce needed by area employers. The downtown area embodies the region's history and culture and is central to the community's identity. It's a place where positive, fun, shared experiences build a sense of community.

Like all downtown areas, it faces challenges related to the evolution of retail including the migration to highway-oriented big box formats and on-line shopping. Downtown areas include aging structures and infrastructure that need updating. Strategic guidance and energetic execution to achieve downtown goals requires an organization with dedicated staff capable of inspiring and coordinating engaged independent business and property owners and cultivating teamwork with local government and non-profit organizations.

Role of the Downtown Alliance & its priorities

The Downtown Alliance brings downtown business and property owners, major employers and other private sector stakeholders together with the city, non-profit and philanthropic sectors to focus on long term downtown vitality. When fully operational, it will include an executive director, a governing board and engaged committees aligned with its initial 2-year workplan.

- Executive Committee to oversee organizational matters
- Finance and Technical Assistance Committee
- Physical Design and Appearance Committee
- Market Strategy Committee
- Activate! Committee
- Strategic Communications Committee



The executive director will be responsible for drawing on the talents and insights of downtown stakeholders in the planning and execution of actions to strengthen and maintain a vibrant community center.

Market Strategy

The Market Strategy Committee maintains a long term focus on the economic niche of downtown and works with businesses and property owners to cultivate a business mix designed to attract a broad cross section of the resident and visitor population and help downtown strengthen and adapt to changes in the marketplace. Market activity is monitored through data resources, surveys and other strategies to identify downtown strengths, issues and opportunities. Information is reviewed with business owners, property owners and other stakeholders, and is shared more broadly with the support of the Communications Committee.

Design and Appearance

The Design and Appearance Committee supports the vitality of downtown by creating an attractive, safe and welcoming environment. This involves private property as well as publicly owned infrastructure – alleys, sidewalks, trails and bike lanes, streets, highways, park areas, signage, public restroom access and streetscape elements like benches, flowers and banners.

Finance and Technical Assistance

The Finance and Technical Assistance Committee works to ensure that up-to-date financing tools are available to maintain downtown vitality. The committee works to build awareness and understanding of these tools among business and property owners, entrepreneurs, developers and advisors (e.g., accountants, bankers, real estate professionals, attorneys).

Activation!

The Activate! Committee stimulates downtown interest and vitality through the creation of destination features (e.g. public art, story walk), coordinating a downtown event calendar and providing support and promotion for a variety of public, private and non-profit events that attract diverse market segments and age groups throughout the year.

The Role

Grand Rapids Downtown Alliance is seeking a leader who is a capable strategist and executor to serve as its first executive director. Under the guidance of the Alliance's board of directors and the two-year workplan, the executive director will serve as a catalyst to maintain a thriving and sustainable downtown. As an ambassador of the organization, the executive director will provide energetic leadership to fulfill the organization's workplan and be responsible for managing all aspects of the organization's operations.

This is a fantastic opportunity to provide leadership in a Northern Minnesota regional center with a highly regarded quality of life – exceptional arts and culture, quality schools and health care, sports facilities and enviable outdoor recreation opportunities.

Reporting Relationships

The Executive Director will report to the Grand Rapids Downtown Alliance Executive Committee and the Board of Directors.

Key Responsibilities

The Executive Director will:

- Serve as a community leader, collaborator, visionary and alliance builder to ensure a vibrant downtown.
- Support business expansion and growth in downtown.
- Speak publicly and advocate on issues and opportunities that affect downtown and members of the Alliance as directed by the Executive Committee and Board of Directors.
- Promote Downtown Grand Rapids strategically and energetically through a variety of channels.
- Facilitate successful implementation of the organization's workplan.
- Evaluate progress and impact of implementation activities.
- Cultivate engagement, strong communication and teamwork among downtown stakeholders, members and funders.
- Work with volunteers to build and sustain a solid base of members and sponsors who understand and believe in the impact and value of the organization.
- Organize regular meetings of the Executive Committee and Board of Directors in a way that draws on their talents, insights and expertise.
- Ensure fiscal soundness, transparency and a balanced budget.

Ideal Candidate

The ideal Executive Director is a strategic, innovative leader capable of building effective working relationships with a variety of individuals and organizations. Relevant work experience includes working for private for-profit business or non-profit organizations, Chambers of Commerce, economic development or similar development-oriented organizations.

The ideal candidate will possess many of the following professional and personal abilities and attributes:

- A good listener who can identify challenges and opportunities and find solutions
- A strategic executor who is pro-active and results oriented
- An ambassador and enthusiast for Downtown Grand Rapids
- An effective bridge who understands the business, public, non-profit and philanthropic sectors
- An effective leader who understands the roles and teamwork involved with an engaged board of directors and volunteers
- A responsible manager who ensures that organizational tasks including routine financial management, annual workplan and budget, performance metrics and strategic communications are accomplished in a timely manner

The ideal candidate will have at least 5 years of experience working to inspire and drive business or community growth and vitality. The role will be largely “in person” at an office in downtown Grand Rapids and requires availability on some nights and weekends for meetings and events.

Qualifications of an Ideal Candidate

- Bachelor’s degree in business, public policy, urban design, marketing, economics or related field or equivalent experience in a relevant field
- Prefer 5 years of experience in management within non-profit or for-profit businesses or 3 years working in downtown revitalization, economic development organization, chamber of commerce or visitors association.

For more information
or to send your credentials, please email

All inquiries will remain confidential.

Budget

1	Grand Rapids Downtown Alliance	Year One Budget	Year 3 Budget	Year 5 Budget	Notes
REVENUE					
4	GREDA contract				Owatonna EDA does \$50k contract. Entire EDA budget in Grand Rapids is \$75,000
5	Foundation grants				
6	Memberships (businesses, major employers, banks, professional services)	\$ 20,000			See detail in membership tab. \$20,000 year 1 = ~ same number of memberships as previous downtown org, but a higher \$ rate
7	Sponsorships	\$ 40,000			See detail in Sponsorship Tab. Owatonna does \$39k revenue (offset by \$19k expenses, noted below in expense section)
9	Chambe/City inkind	\$ 2,500	\$ 2,500	\$ 2,500	
10	In-kind				Owatonna chamber does \$32,500 in-kind with accounting, office space & support
11	Downtown fundraiser revenue				
12	Other				
	Total	\$ 62,500			
EXPENSES					
16	General operating expenses				
17	Compensation	\$ 67,000	\$ 69,707	\$ 72,523	2024 compensation in Owatonna, non-profit salary ranges in GR region cited as \$65-75k
18	Payroll taxes	\$ 5,126	\$ 5,333	\$ 5,548	7.65% of compensation
19	Benefits - flex	\$ 3,500	\$ 3,641	\$ 3,789	1/2 of \$7,000 IRA, childcare, or health
20	Part time support for event & volunteer coordination		\$ -	\$ -	Owatonna gets support from the Chamber, city and visitor's organization
21	Professional fees (tax return, monthly financials, payroll)	\$ 4,300	\$ 4,474	\$ 4,654	Owatonna budget \$4,129
22	Communications	\$ 6,000	\$ 6,242	\$ 6,495	Owatonna advertising, social media, gift certificates for "Shop Small"
23	Insurance	\$ 1,260	\$ 1,311	\$ 1,364	Owatonna allocates \$1,260
24	Occupancy	\$ 2,500	\$ 2,601	\$ 2,706	\$15 psf x 180 SF
25	Office infrastructure (hardware, software, website, copier)	\$ 4,200	\$ 4,370	\$ 4,546	Owatonna 2024 budget
26	Phone	\$ 800	\$ 832	\$ 866	Owatonna 2024 budget
27	Postage and shipping	\$ 500	\$ 520	\$ 541	Owatonna 2024 budget
28	Bank fees	\$ 770	\$ 801	\$ 833	Owatonna 2024 budget
29	Memberships & subscriptions	\$ 2,500	\$ 2,601	\$ 2,706	MN and National Mainstreet Owatonna (\$2,500);
30	Training & development	\$ 725	\$ 754	\$ 785	MN Mainstreet conf registration \$225, travel/lodging/meals \$500
31	Expenses related to sponsored events, publications, donor recognition, etc.	\$ 19,000	\$ 19,768	\$ 20,566	Owatonna number for sponsorship related expenses - \$19,000
32	Downtown fundraiser expenses		\$ -	\$ -	
33	Build 6 month reserve over 5 years (recommended for non-profits)	\$ 13,500	\$ 14,045	\$ 14,613	In 5 years, the organization would have a 6-month reserve
34	Contingency (3%)	\$ 4,100	\$ 4,266	\$ 4,438	
35	Total Gen Operating Expenses	\$ 135,781	\$ 141,266	\$ 146,973	
36					
START UP & SPECIAL PROJECT EXPENSES					
38	Start up DT org				Start up & special project expenses
39	Cash flow for start up				
40	Fundraising & start up support				
41	Start up related branding, website	\$ 20,000			Downtown Organization
42	Start up contract for data & survey instruments to inform strategy & start up market strategy committee	12,000			Downtown Organization
43	Start up office equipment, furnishings	2,500			\$2,500 year 1 & another \$2500 year 2 with the move - possible in kind contribution
44	Total start up expenses	\$ 34,500			

Appendix

Grand Rapids Area Community Foundation Fiscal Sponsor Guidelines and Application Appendix p. 1

Grand Rapids Area Community Foundation Fiscal Sponsor Agreement Appendix p. 5

Memorandum of Agreement Regarding Shared Office Space Appendix p. 8



COMMUNITY
FOUNDATION

GRAND RAPIDS AREA

Fiscal Sponsor Services Guidelines and Application

The Grand Rapids Area Community Foundation may choose to provide fiscal sponsorship for charitable projects that fall within the mission of the Community Foundation. Fiscal sponsorship services include the provision of non-profit status to the project (thus making contributions tax-deductible), the receipting and managing of contributions, and the authorization and payment of grants from the fund. Fiscal sponsor services do not include fundraising support, financial support or extra administrative support beyond what is needed for incoming contributions and outgoing grants as mentioned above. The primary beneficiaries of fiscal sponsor services are typically new charities without an IRS determination letter or community groups planning a specific short-term project that is clearly charitable in nature.

An application form is available from the Community Foundation and should be submitted for review and approval. Applicants should discuss their project and applications with Community Foundation staff.

The Community Foundation staff reviews the application and may adopt the project as a program of the Grand Rapids Area Community Foundation. A fund bearing the project's name is established. The project is then accounted for as "The XYZ Project, a program of the Grand Rapids Area Community Foundation" for IRS auditing, financial reporting, marketing, and fundraising purposes.

As fiscal sponsor, the Community Foundation is legally responsible for the project's management and disbursement of funds. The Community Foundation staff approves payments/grants from the fund to carry out the purposes of the project. Typically, the Community Foundation assures programmatic oversight by authorizing an existing advisory group to fulfill the functions of project administration. A roster of the group should be forwarded to the Community Foundation.

The project advisory group makes recommendations to the Community Foundation for the specific expenditures. Community Foundation staff reviews the recommendations and authorizes payments. Payments are generally made within two weeks of receipt of recommendations.

The Community Foundation receives and acknowledges all gifts to the fund. The Community Foundation provides regular financial reports to the advisory group (either quarterly or annually, depending on your preference).

The project may apply to other funding sources under the auspices of the Grand Rapids Area Community Foundation, but the Community Foundation is not responsible for fundraising costs or for providing financial support for the project.

As compensation for its services, the Grand Rapids Area Community Foundation charges a fee of between 5% and 8% of all contributions received. In some cases, fees are calculated separately based on the amount of Community Foundation staff time required to administratively support the project. The fee schedule will be reviewed regularly (at least annually) and is subject to adjustment based on the level of required support. Any investment/interest earnings by the fund will accrue to the Community Foundation for administrative purposes.

For more information, call Mindy Nuhring, Executive Director at (221) 999-9100.



COMMUNITY
FOUNDATION

GRAND RAPIDS AREA

Application for Fiscal Sponsorship

Organization Information

1. Individual, organization or group submitting request:

Name: _____

Mailing Address: _____

Phone: _____ Email: _____

Contact Person: _____

2. For what period of time is the Community Foundation being asked to serve as fiscal sponsor?

Begin date: _____ End date: _____

3. Has your group incorporated as a separate legal entity responsible for its own actions?
(Attached relevant correspondence)

Yes _____ No _____

4. Does your organization plan to become recognized as non-profit by the IRS by obtaining its own 501(c)(3) status?

Yes _____ No _____

Project Description

1. What specific, charitable outcomes do you hope to accomplish?

2. Who is serving on the Advisory or Steering Committee for this project? (Please attach list.) Are any other groups or organizations involved in planning this effort?
3. The Community Foundation's service area is the Greater Itasca County Area. What geographic "community"(ies) do you expect to benefit?
4. The Community Foundation strives to work with all sectors of the community. What specific groups of citizens do you expect to benefit?
5. What amount do you anticipate raising for this project, and why do you think these funds will be contributed? How do you plan to raise the money? Will you hold fundraising events?
6. Who will submit invoices or requests for grants to the Community Foundation for payment from the fund?

If it serves as your fiscal sponsor, the Community Foundation must ensure that the outcomes of your project are charitable. By signing this request, you are agreeing to provide the Grand Rapids Area Community Foundation response to periodic questions from the Community Foundation regarding activities of your project.

Print Name: _____

Signature: _____

Date: _____

Title or Capacity: _____

Questions regarding this application can be directed to
Mindy Nuhring, Executive Director at (218) 999-9100 / mindy.nuhring@gracf.org

Please mail the completed application to:

Grand Rapids Area Community Foundation
350 NW 1st Street, Suite E
Grand Rapids, MN 55744

Or email a scanned pdf of the completed application to:
mindy.nuhring@gracf.org

AGREEMENT TO ACT AS FISCAL SPONSOR FOR THE
Fund
AT THE GRAND RAPIDS AREA COMMUNITY FOUNDATION

THIS AGREEMENT, dated this ___ day of ___ 2024 is made between _____ (the “Organization”) and the Grand Rapids Area Community Foundation (the “Foundation”) to establish a fund for charitable purposes. The Foundation agrees to act as fiscal sponsor for the Organization for the specific purpose to raise funds for the _____ in a charitable manner. The Foundation will hold the Fund and all additions to it from any sources as follows:

1. Fund Establishment:

- a. The Fund shall be established on the books of the Foundation and shall be identified as the _____ Fund in all relevant Foundation literature, reports, promotional material and public documents.
- b. The Fund shall be subject to the Articles of Incorporation and Bylaws of the Foundation, as they may amend them from time to time.
- c. The Fund shall be designated as a non-endowed, fiscal sponsorship fund.

2. Designation of Purpose

The purpose of establishing the _____ Fund is for the charitable purpose of _____.

3. Distributions of income: The Organization may request distributions be made from the Fund by written request to the Foundation according to the Foundation’s policy and procedure for requesting distributions.

- a. Requests for distributions must be approved by at least one authorized council member, as named here: _____
- b. All distributions will follow appropriate and approved Foundation and IRS guidelines for granting and distributions.

4. Variance Power:

- a. The Foundation board shall have the power to modify any restriction or condition on the distribution of funds for any specified charitable purposes if, in the sole judgment of the board, such restriction or condition becomes, in effect, unnecessary, incapable of fulfillment or inconsistent with the charitable needs of the community or area served.

- b. If the Organization ceases to be a qualified organization, the assets of the Fund shall be distributed with greatest consideration given to the out-going board of the Agency's recommendations, or, without a recommendation, for a purpose most closely resembling the original intent of the donors.
5. **Donations:**
- a. Gifts may be added to the Fund anytime. The Community Foundation may commingle the assets of the Fund with the assets of other funds held by the Community Foundation, provided the separate identity of the Fund will be maintained and distribution from the Fund will be clearly identified as such to the grantees.
 - b. The Organization is responsible for all fundraising for this project.
6. **Investment:** As a non-endowed, fiscal sponsorship, the fund will not be invested in the market nor will it take gains or losses.
7. **Services and Fees:** The Foundation shall provide all routine accounting and reporting to the Minnesota Attorney General and Internal Revenue Service regarding the Fund. The Foundation shall be entitled to reasonable compensation for management of the Fund in accordance with their regular fee schedule, which may change from time to time.
- a. The Fund's current fee structure is _____ that are received by the Fund. Any credit or debit card processing fees for donations to _____ that are not paid by the donor will be paid by the Fund. The Foundation reserves the right to adjust the Fund's fee structure from time to time, according to Foundation policy. A minimum of \$100 annual fee will be charged to the Fund.
8. **Responsibility:** The Foundation shall not be held responsible for any unpaid bills, for any unlawful actions from the Organization, or from fundraising activities not reported in advance to the Foundation in a timely fashion.
- a. The Organization is responsible for all reporting and submission of reports requested by groups, foundations or other entities providing grants to the Fund.
 - b. The Foundation will provide reports on Fund Activity to the Organization's designee, if requested, on a quarterly or annual basis.
9. **Property:** The Fund shall be the sole property of the Foundation held by it in its corporate capacity and will not be deemed a trust fund held by it in a trustee capacity. It

is intended the Fund will be a component fund of the Community Foundation and that nothing in the Agreement will affect the status of the Foundation as an organization described in Sections 509(a)(1) and 170(b)(1)(A)(vi) of the Internal Revenue Code. This Agreement will be interpreted in a manner consistent with the foregoing intention and to conform to any applicable requirements of the Internal Revenue Code and IRS Regulations.

Organization Representative Name & Title	Signature	Date
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Organization Representative Name & Title	Signature	Date
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Foundation Representative Name & Title	Signature	Date
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**Memorandum of Agreement Regarding Shared Office Space
between
Depot Commons, the Grand Rapids Area Chamber of Commerce
and
Grand Rapids Downtown Alliance**

The purpose of this Memorandum of Agreement is to clarify the parameters and obligations related to shared office space being provided to Grand Rapids Downtown Alliance by Depot Commons during start-up of the organization.

Background and Approach

A civic initiative to strengthen the downtown area of Grand Rapids is being supported by public, private, philanthropic and non-profit partners in the community. This initiative has its genesis in the City of Grand Rapids Comprehensive Plan and 2023 Grand Rapids Downtown Alliance Plan Update. The downtown plan identified the formation of an organization devoted to downtown as one of five key goals to strengthening downtown as vibrant, healthy community asset. Community members indicated that an all-volunteer effort is insufficient and unlikely to meet with much success, and that a staff person should be hired to provide leadership for the initiative.

In response, the City of Grand Rapids received grant funds from the Blandin Foundation and IRR to assist with the formation of an organization to provide leadership and guidance to downtown revitalization efforts. A consultant was retained and an Advisory Committee formed to develop a workplan, budget, position description, governance structure and address start-up considerations including office space. The Advisory Committee and consultant recommend that during an initial period of 6-18 months a new staff person would benefit from the support available from co-locating with the Grand Rapids Area Chamber of Commerce in space owned by Depot Commons. After the start-up period, relocation of the downtown organization to Central School is recommended to bring greater focus to revitalization of Central School and the surrounding grounds, which are an important and underutilized downtown asset.

It is the intent of Depot Commons and the Grand Rapids Area Chamber of Commerce to assist with the start-up of Grand Rapids Downtown Alliance by providing a hospitable, supportive environment for the organization and the new staff person.

1. Term:

The anticipated term of this agreement will be 6-18 months.

2. Office space:

Depot Commons will make a private office space of approximately _____ square feet available to Grand Rapids Downtown Alliance, including all utilities, wi-fi, cleaning and trash collection valued at \$_____ as an in-kind contribution. (or identify a monthly cost)

3. Access to shared facilities and spaces:

Grand Rapids Downtown Alliance will have access to all shared spaces including lobby/reception, breakroom, restrooms, conference areas and staff parking. Conference space shall be reserved in accordance with standard office procedures.

4. **Access to Equipment:**

Grand Rapids Downtown Alliance will establish a separate *phone* number.

Grand Rapids Downtown Alliance will have access to the *copy machine*. Procedures will be established to identify and charge Grand Rapids Downtown Alliance monthly for the number of photocopies used.

Grand Rapids Downtown Alliance will be responsible for providing its own computer, printer, software and related *technology* to ensure data security and back-up.

5. **Insurance:**

Depot Commons, the Grand Rapids Area Chamber of Commerce and Grand Rapids Downtown Alliance will consult with their boards and qualified insurance agents to determine the best approach to provide adequate insurance for all parties.

6. **Reception and other administrative services:**

Grand Rapids Downtown Alliance will have access to reception/information center services at the Chamber during regular business hours subject to staff availability.

The executives of Chamber of Commerce and Grand Rapids Downtown Alliance are expected to discuss and reach a shared understanding of the appropriate level of day-to-day support. They may also consider and reach agreement on higher levels of support when the organizations share a commitment to certain events and activities. If necessary, the executives can reach out to their boards to secure appropriate approvals or compensation.

Signed _____ Date _____ Signed _____ Date _____

Title – for Depot Commons _____ Title – for Grand Rapids Area Chamber of Commerce _____

Signed _____ Date _____ |

Title – for Grand Rapids Downtown Alliance _____