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

2025 Annual Report

Prepared by:

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Director of Community Development
GREDA Executive Director

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Mission

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

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

Governance

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

The management of all the affairs, property and business of GREDA is vested in a Board of Commissioners consisting of 7 members, 2 of which must be members of the City Council. GREDA annually elects its President, Vice President, and Secretary/Treasurer. Staff support is provided to GREDA primarily through the Community Development Department, with the Director of Community Development acting as the GREDA Executive Director, and with the Community Development Administrative Assistant acting as the Recorder.

The GREDA Board of Commissioners includes the following volunteers:

Member	Position	Affiliation/Occupation	Term Expires
Sholom Blake	President	Business Owner/CPA	3/1/31
Tom Sutherland	Commissioner	City Council/Conservation Officer	12/31/26 Concurrent with Council Term
Wayne Bruns	Commissioner	Banking Executive	3/1/31
Al Hodnik	Vice President	Ret. Business Executive	3/1/27
Bill Martinetto	Commissioner	Business Owner	3/1/29
Jean MacDonell	Commissioner	Grand Itasca Clinic & Hospital CEO	3/1/30
Molly MacGregor	Commissioner	City Council/Retired DNR	12/31/26 Concurrent with Council Term

*The Director of City Finance serves as the Asst. Treasurer
Also providing valued service to the GREDA during 2025 was City Council Members Dan Mertes and Rick Blake.

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

This report summarizes GREDA's activities and financial condition for the year ending December 31, 2025.

Respectfully submitted,

Sholom Blake, Grand Rapids EDA President

Development Property and Leasable Assets

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

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

GREDA has also actively pursued the development of underutilized properties in the Downtown and Mississippi Riverfront areas. As examples, the GREDA has sold land, which led to the development of the Glorvigen office building, KAXE Northern Public Radio station, the Rapids Brewing project and the Riverview apartments. GREDA also exercised their authority to purchase and sell lands in support of the private redevelopment of Block 37, located at the corner of TH 2 and TH 169. GREDA also owns and markets for sale and development the former North Country Recycling property, a site referred to as the Block 5 Site and the former VFW/Rose properties within Block 18 downtown.

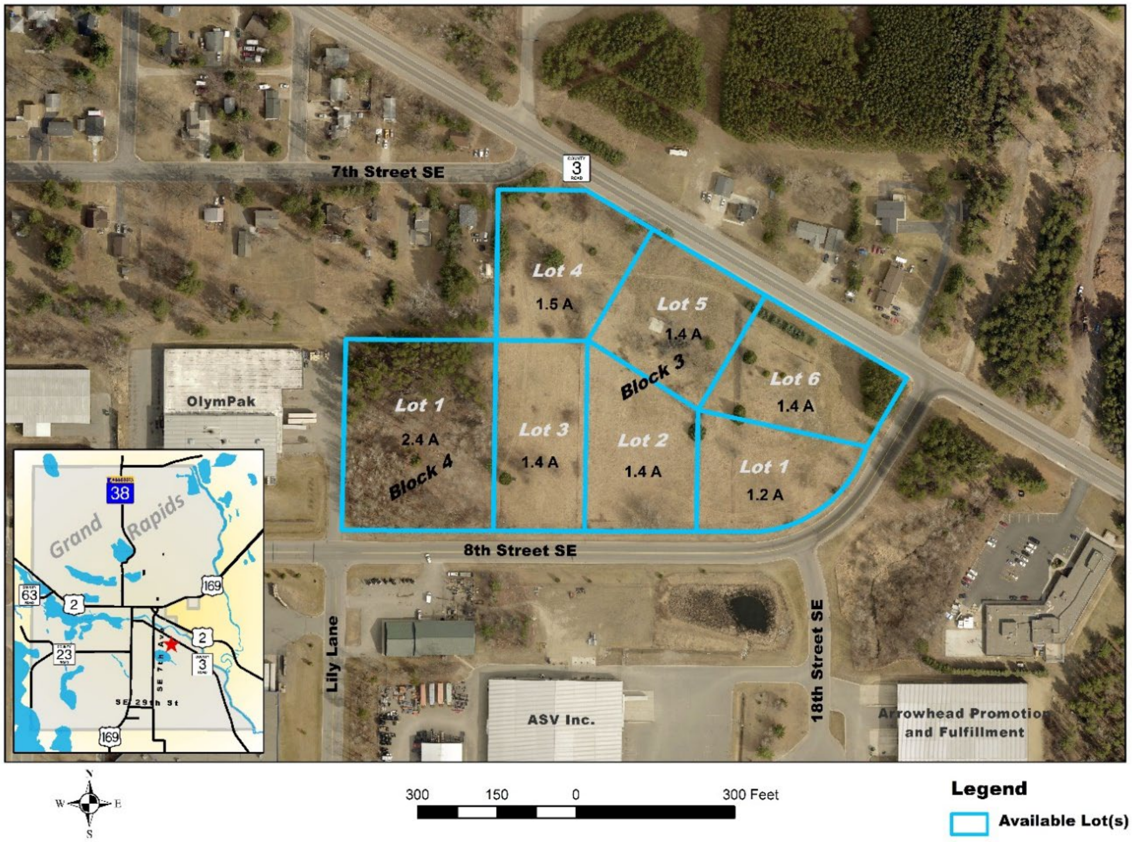
Land Inventory Summary:

Site Description	Number of Developable Lots (GREDA Owned)	Acreage Total
Industrial Park Two	1	2.4
Industrial Park East	6	8.3
Airport South Industrial Park – Phase 1 & 2	7	11.0
Airport Property (unplatted)	1	35.0
Block 5 Riverfront Dev. Site	1	1.8
Block 23 – Third Division Commercial Site	1	0.6
Block 18 – Downtown Site	1	0.2
Forest Lake Addition – SF Residential	3	0.8
Great River Acres – SF Residential	7	2.0
Totals:	28	62.1

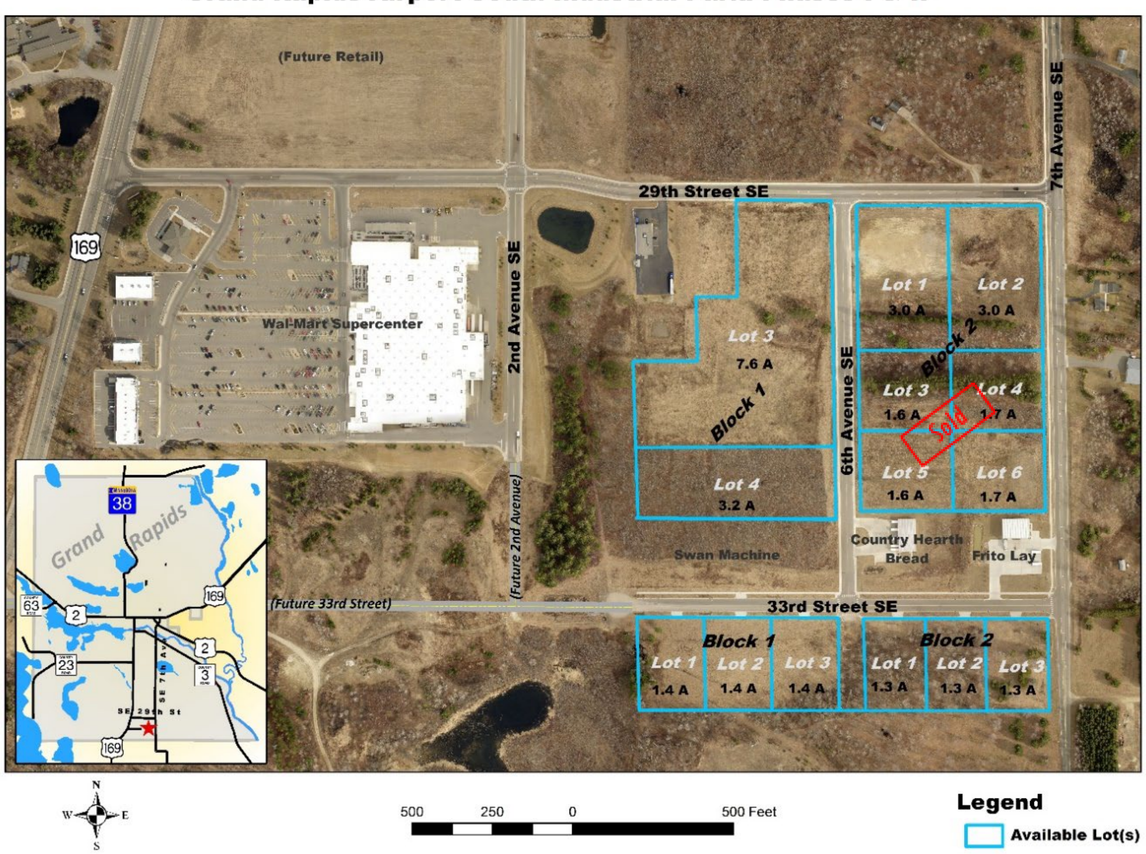
Central School:

The City redeveloped Central School in 1983 and has since operated it as a multi-tenant leased space for a mixture of commercial retail and office uses. Central School contains 15 suites totaling 10,250 square feet of leasable space. In 2014, the City Council tasked GREDA with the management of leasing. At the time of this report, 100% of the Central School space is occupied.

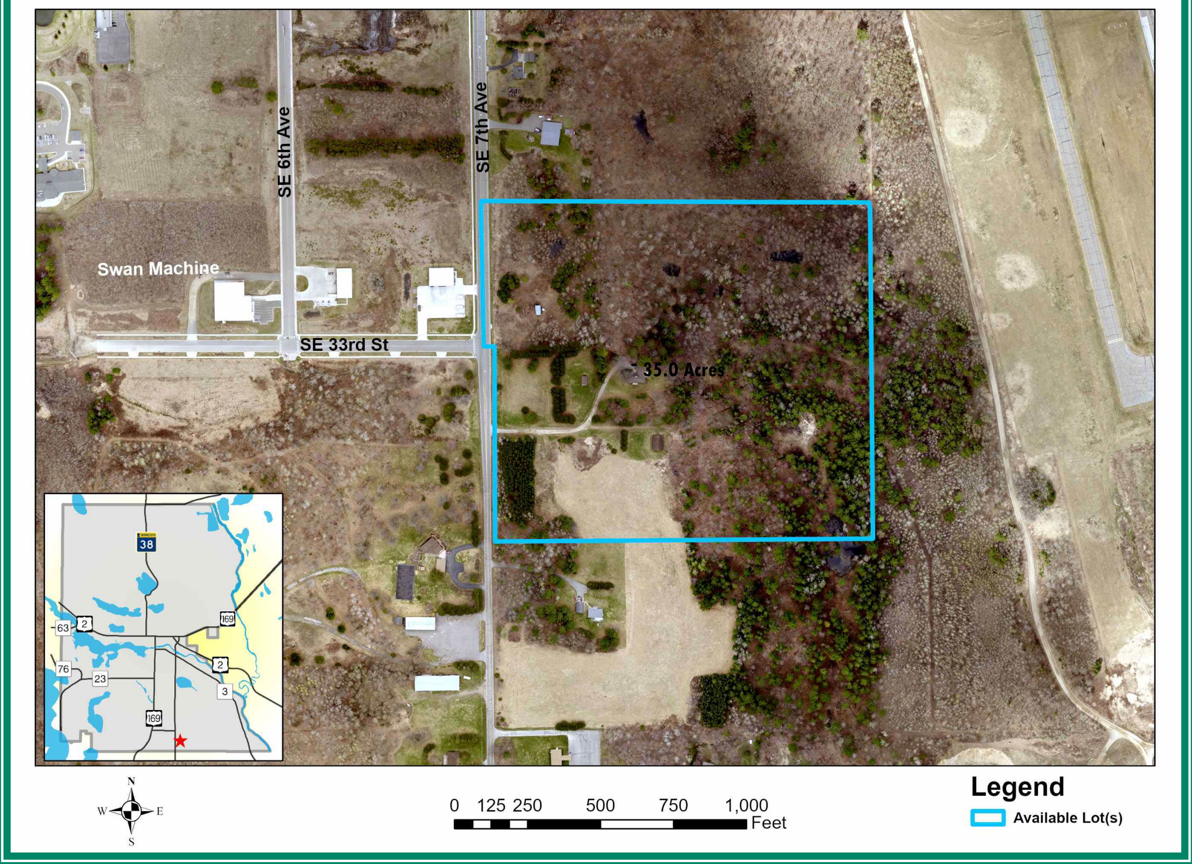
Grand Rapids Industrial Park East



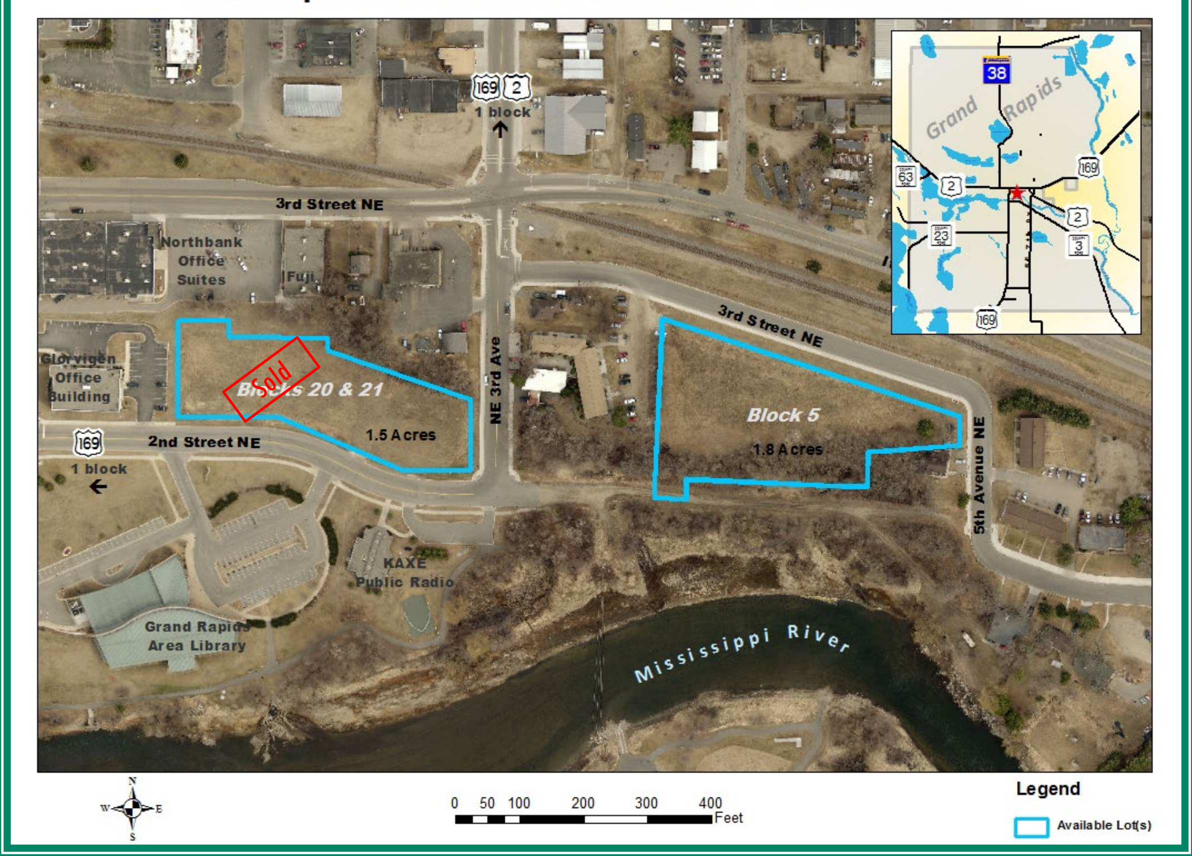
Grand Rapids Airport South Industrial Park: Phases I & II

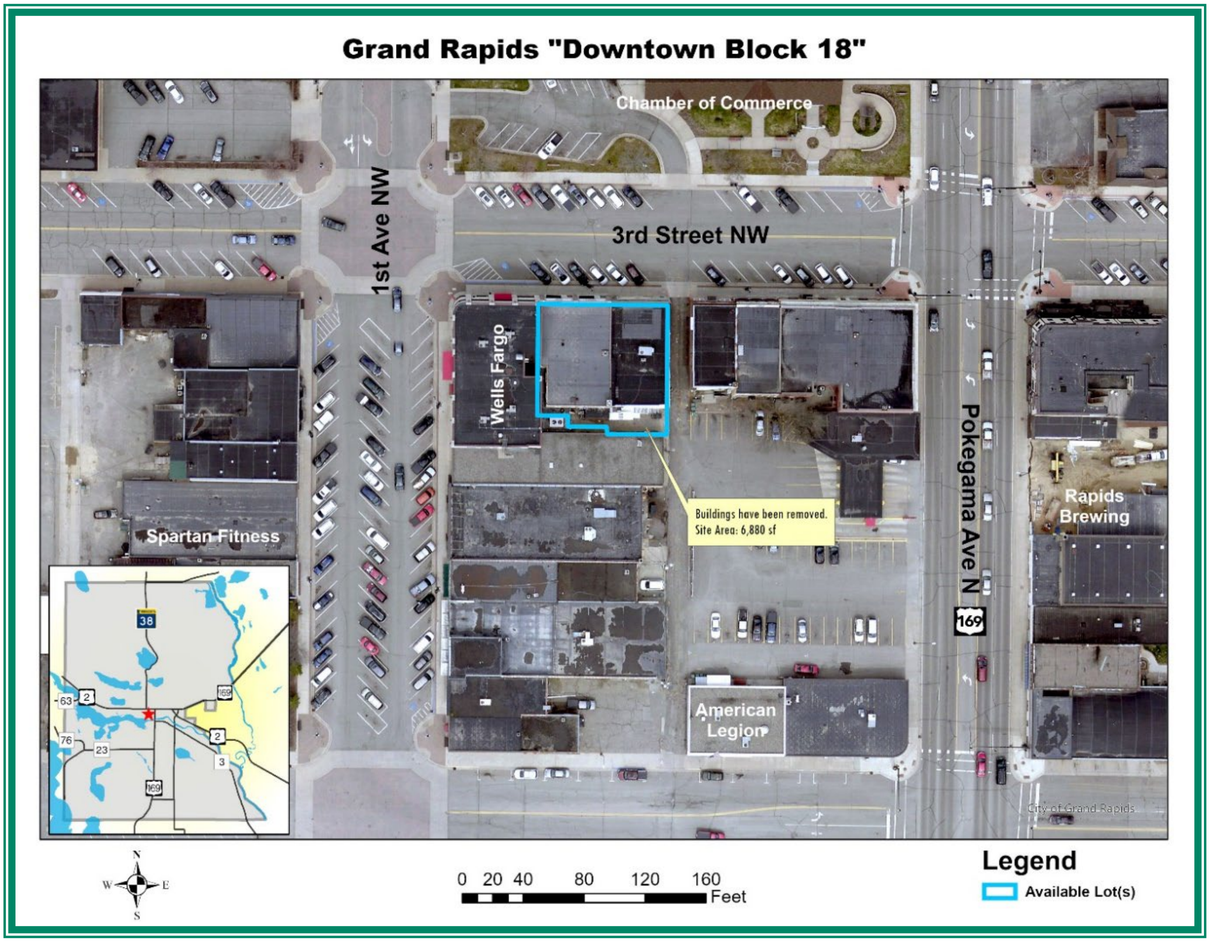


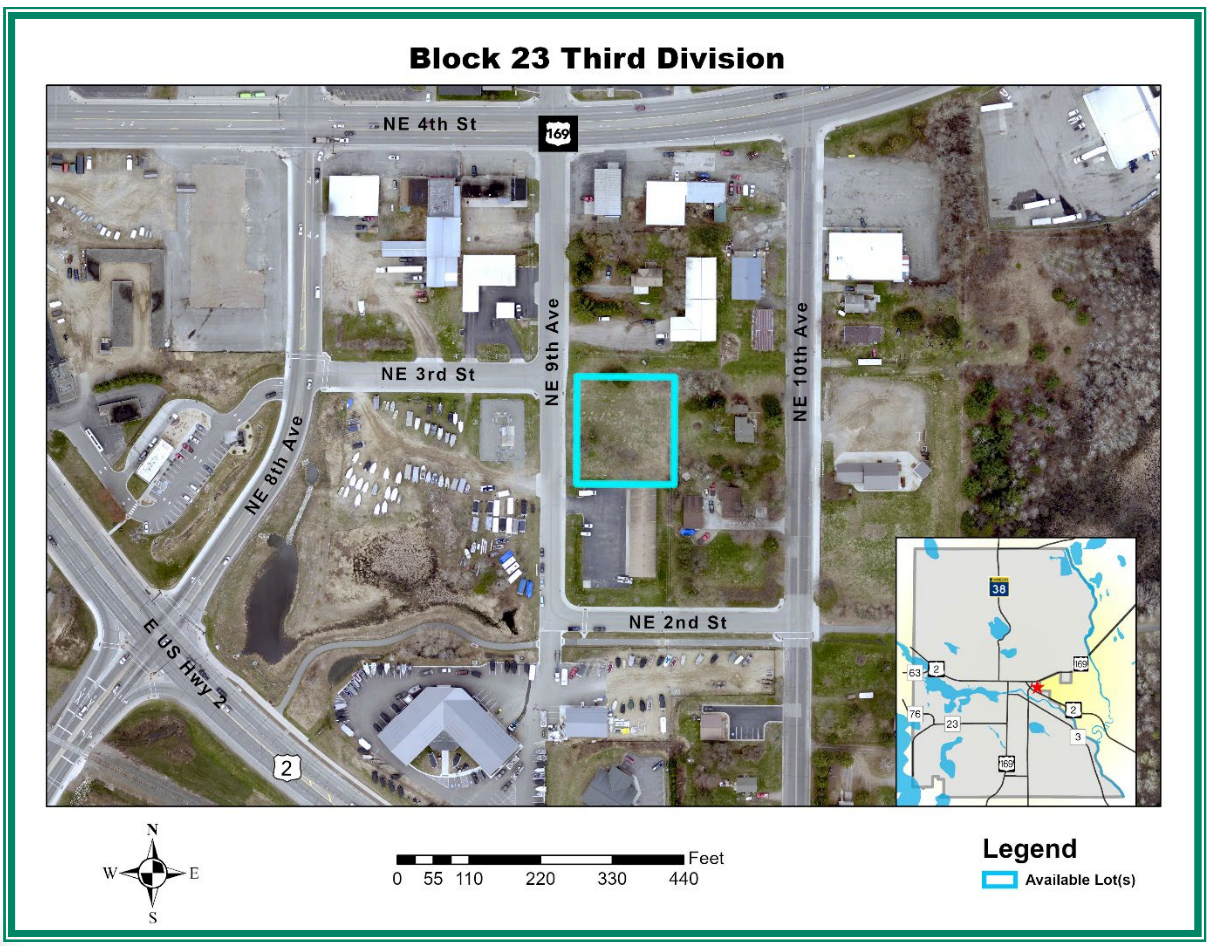
Grand Rapids Airport Property (unplatted)



Grand Rapids "Blocks 20 & 21" and "Block 5" Commercial Sites




Grand Rapids "Downtown Block 18"
Chamber of Commerce
1st Ave NW
3rd Street NW
Wells Fargo
Pokegama Ave N
Buildings have been removed.
Site Area: 6,880 sf
Rapids Brewing
Spartan Fitness
American Legion
169
0 20 40 80 120 160
Feet
Legend
Available Lot(s)


Block 23 Third Division
NE 4th St
169
NE 9th Ave
NE 3rd St
NE 10th Ave
NE 8th Ave
NE 2nd St
E US Hwy 2
2
0 55 110 220 330 440
Feet
Legend
Available Lot(s)

Business Assistance Programs

To advance their economic development goals, GREDA pools their resources together with those of other local, state and federal economic development agencies. Examples of those business assistance programs are listed in the following table:

Source	Program
Federal EDA	▪ Public Works Grant ▪ Economic Adjustment Grant ▪ Economic Development Planning Grant
Iron Range Resources and Rehabilitation Board	▪ Commercial Redevelopment Program ▪ Development Infrastructure Program ▪ Business Financing
Department of Employment and Economic Development (DEED)	▪ Business Development Public Infrastructure Grant ▪ Minnesota Investment Fund ▪ Small Cities Development Program ▪ Job Creation Fund ▪ Redevelopment Grant Program ▪ Contamination Investigation and Cleanup ▪ Job Skills Partnership Program
Itasca Economic Development Corporation (IEDC)	▪ Building Development Loan Program
City of Grand Rapids	▪ Tax Increment Financing ▪ Tax Abatement

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

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

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

The Commercial Building Improvement Loan Program funds may finance up to 75% of the project cost, or $40,000, which ever may be less. The interest rate for improvement loans is currently set at two percent (2%), with a maximum term of 5 years. Loans are amortized over a twenty-year period with a balloon payment due at the end of the term, and no penalty for early repayment.

There currently is a portfolio of twenty loans with a combined principal loan amount of $777,754.

Thousand Lakes Sporting Goods

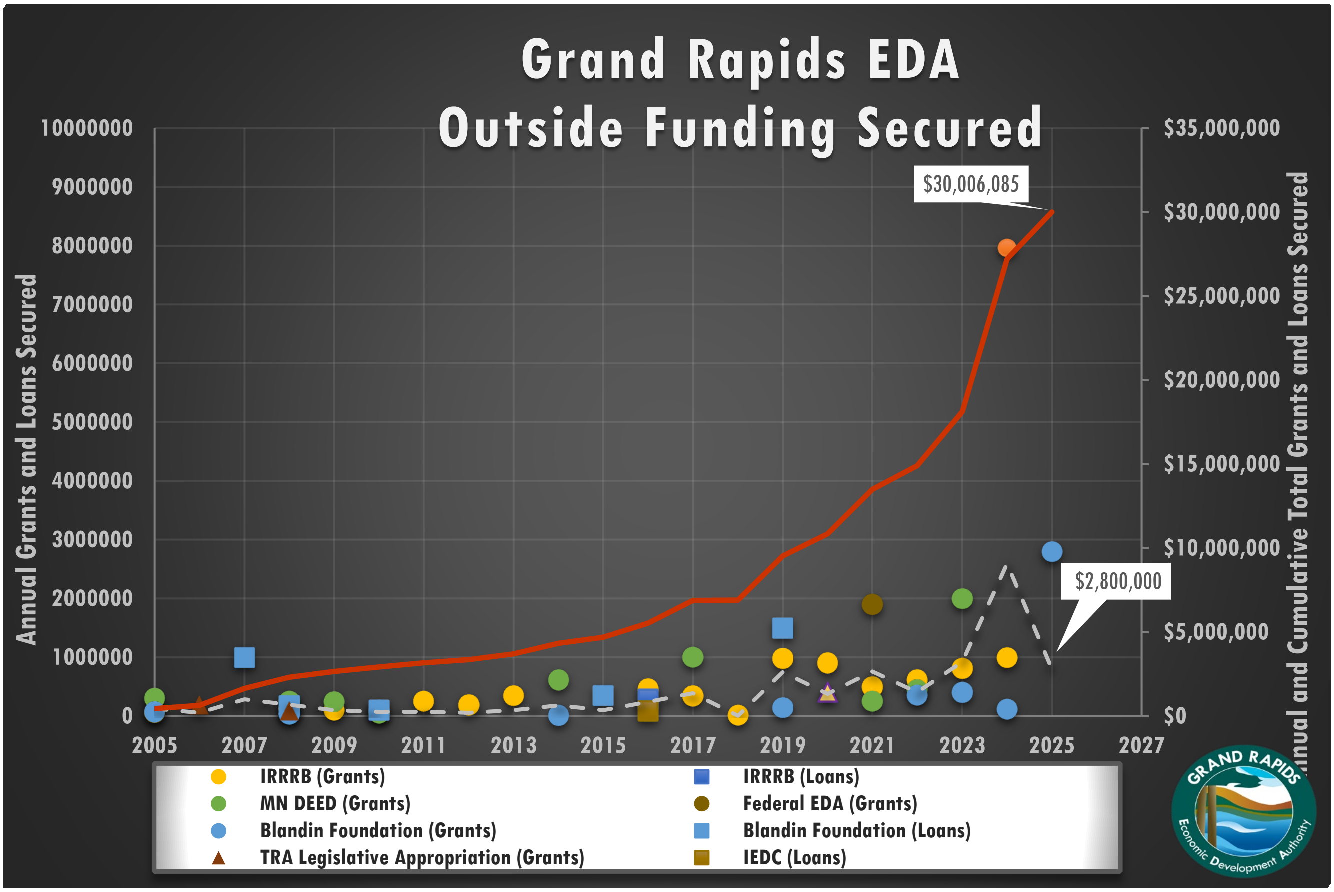
Downtown Mandated Building Improvement Loan (MBIL) Program – With a grant provided by the Blandin Foundation in 2023, GREDA has established a loan program to assist entrepreneurs with funds for additional improvements mandated by the Minnesota State Building Code. These additional required improvements, such as to address handicapped accessibility, are more common in older buildings. The costs of these improvements are often unanticipated by entrepreneurs and tend to limit or stifle investment in and new uses of these buildings. Downtown MBIL Program funds may finance up to $50,000 of these costs. The interest rate for MBIL loans is currently set at one percent (1%), with a term of 10 years.

Repayment of principal and interest is deferred during the 10-year term, with 10% of the principal balance forgiven each year the building owner maintains ownership.

There currently is a portfolio of four loans with a total principal loan amount of $200,000.

Additional Project Funding

The following chart provides a twenty-year history of the outside funding secured by GREDA:



Summary of 2025 Funding Represented Above

Source	Project	Grant/Loan	Amount
Blandin Foundation	Multi-Project Comprehensive Grant	Grant	$2,800,000
Total:			$2,800,000

2005-2025 Outside Funding Summary

Source	Loan	Grant	Amount
TRA Legislative Appropriation		X	$282,000
Minnesota IRRR		X	$6,656,486
Minnesota IRRR	X		$293,000
Minnesota DEED		X	$5,181,697
Federal EDA		X	$1,960,607
Federal COVID Relief		X	$411,000
Blandin Foundation		X	$4,042,295
Blandin Foundation	X		$3,125,000
Minnesota Housing		X	$7,964,000
IEDC	X		$90,000
Total:			$30,006,085

Summary of Activities - 2025

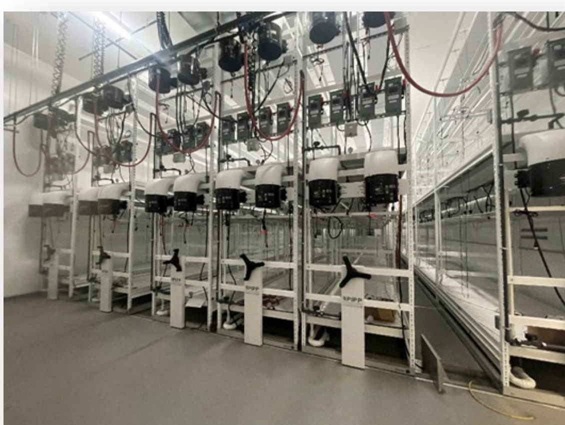
Industrial Advancement/Support

Amazon Delivery Station

- GREDA closed on sale of 4 lots in Airport South Industrial Park to Amazon for their development of a 41,000 sq. ft. delivery station.
- Construction started in April 2025
- Building is complete
- Anticipated opening this Spring 2026.

HWY 35 Cannabis Grow/Manufacturing Facility

- The 60,000 sq. ft. buildout of the first phase consists of a cannabis cultivation and manufacturing of infused products.
- The cultivation has been operational since the fall of 2025.
- The manufacturing buildout is complete and is scheduled to be operating this spring.

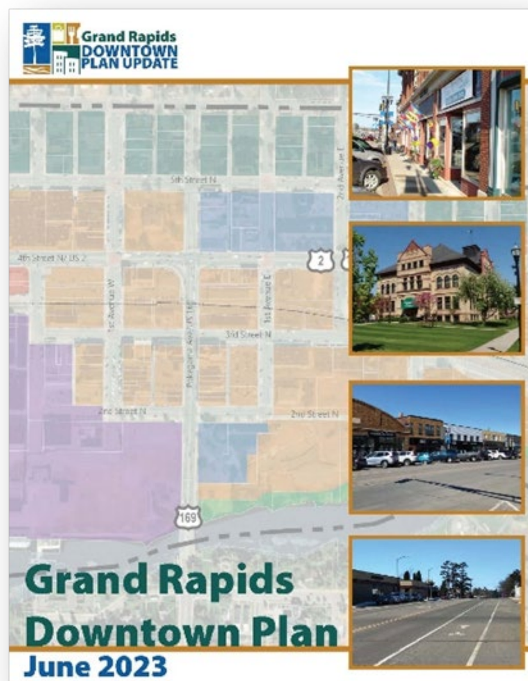


Blandin Foundation Grant

- GREDA was awarded a $2.8M Grant to support their work that aligns with the Blandin Foundation's strategic focus on Community Wealth Building, Rural Placemaking and Small Communities, including the following:
  - Grand Rapids Downtown Plan Implementation:
    - Downtown Alliance Startup
    - Downtown Pedestrian Wayfinding (planning and development)
    - Downtown Branding Implementation
    - Block 19 Parking Lot Improvements
  - American Legion Park Plan & Economic Impact Analysis
  - Blandin Beach Park Renovation
  - Affordable Single-Family Housing (GREDA/ICHRA former ISD 318 Admin. Building Site)
  - Capitalization of a Dedicated GREDA Strategic Site Acquisition Revolving Fund
  - Development of an effective workforce recruitment strategy/campaign
  - Enhanced GREDA Communications (planning and implementation)

Downtown Plan Initiatives and Projects

- Grand Rapids Downtown Alliance
  - GREDA hired Economic Development Services to assist downtown stakeholders with the startup of a new non-profit downtown organization.
  - Filing of articles of incorp., posting and filling ED position, recruitment of initial board and committees, etc.
  - GREDA hired Pierson/Henry to assist the Downtown Alliance with branding and strategic communications, fundraising plans.
  - GREDA approved a Subgrant Agreement with the Downtown Alliance to advance GREDA's Blandin Foundation grant to support of initial operating costs.
  - <u>The response from the downtown business community has been very positive.</u>



- New Business Openings
  - We saw the grand openings of three new businesses in the downtown that GREDA and IRRR provided loan and grant assistance to: Ledger and Ladle, The Tied and The Pines.

Highway 2 West Corridor

- Secured a $175,000 IRRR Commercial Redevelopment grant for a portion of the demolition and cleanup of former Farm Co-op
- Submitted applications to MPCA and Minnesota Dept. of Agric. for approval of contaminant remediation during demo
- Applied to MN DEED for a $420,000 Demolition Loan.

Housing

Multi-Family Housing

- Oppidan Development Mill & Miss Apartment workforce housing project, 132 units, $33.2M
  - Groundbreaking – August 2025
  - Spring 2027 anticipated opening

Multi-Family Housing

- Unique Opportunities Riverview Apartments project, 63 units, $10.2M
  - Groundbreaking – June 2025
  - June 1, 2026, anticipated opening

Single Family Housing

- Forest Lake Addition
  - All 16 of the ICHRA homes have been sold or are under contract to be sold.
  - The last of 3 Itasca County Habitat for Humanity Homes is under construction.
- Crystal Lake Estates Second Addition
  - Funding for demolition and utility services has been secured. Early summer construction.
  - Eight lots for single-family homes were platted by GREDA for homes to be developed in partnership with the ICHRA.
- Great River Acres
  - GREDA sold two single family home lots and executed an option with Premier Custom Homes
  - One home under construction.

CITY OF GRAND RAPIDS
ECONOMIC DEVELOPMENT AUTHORITY
COMBINING STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2025
With Comparative Totals for the Period Ending December 31, 2024

Preliminary

	2024 ACTUAL TO 12/31/24	YTD ACTUAL TO 12/31/25	2025 ANNUAL BUDGET	
Fund Balance 1/1/XX:	$ 25,287	$ 16,525	$ 16,525	
REVENUES:				
Taxes	-	30,000	30,000	0%
Supplemental Aid	-	-	-	0%
Miscellaneous	-	-	-	0%
Interest - Investments	250	64	100	64%
Interest - Loans	-	-	-	0%
Mortgage Payment	-	-	-	0%
Fund Balance Usage	-	-	-	0%
TOTAL REVENUES	250	30,064	30,100	100%
EXPENDITURES:				
Supplies/Materials	20	-	150	0%
Other Services/Charges	8,993	4,391	16,200	27%
TOTAL EXPENDITURES	9,012	4,391	16,350	27%
REVENUES > EXPENDITURES	(8,762)	25,673	13,750	
FUND BALANCE				
Fund Balance Usage	(8,762)	25,673	-	
FUND BALANCE 12/31/XX	$ 16,525	$ 42,198	$30,275	

CITY OF GRAND RAPIDS
ECONOMIC DEVELOPMENT AUTHORITY
CAPITAL PROJECTS FUND

Schedule of Changes in Revenue, Expenditures, and Fund Balance

FOR THE TWELVE MONTHS ENDING DECEMBER 31, 2025

Preliminary

FUND BALANCE 1/1/25	$ 892,812
REVENUES:	
Taxes	84,028
Supplemental Aid	5,169
ST/MN-IRRRB Grant	-
ST/MN Affordable Hsg Aid	34,160
ST/MN DEED-ASV Holdings	88,573
Blandin Foundation Grant	331,977
Interest-Investments	7,373
Net Change Fair Value Investments	14,122
Interest-Loans	13,000
Nat'l Gas CIAC Fee	1,603
Rent-EDA House	25,942
Miscellaneous	1,643
Principal-CBIL Payments	53,311
Principal-EWCL Payments	116,400
Loan Repayments-KAXE	4,018
Sale of Land Held in Inventory	175,992
TOTAL REVENUES	957,312
EXPENDITURES:	
Annual Single Audit Fee	-
Miscellaneous	5,654
No Project	84,763
Downtown Mandated Building Improvement Loan Program	100,000
Blandin Foundation PRI Loan	2,610
Commercial Building Improvement Loan Program	92,477
Downtown Entertainment Loan	75,000
Blandin Foundation Loan Repayment	113,185
Airport South Industrial Parks	40,597
Downtown Plan Project	197
Great River Acres	2,322
Block 36 Downtown Redevelopment	1,800
Forest Lake School Redevelopment	69
Hwy 2 Corridor Study	40,828
ASV-Yanmar Parts Distribution Center	88,573
Farm Service Redevelopment	31,060
ISD #318 Adm Redevelopment	29,571
Downtown Alliance Start Up	38,911
Dedicated Strategic Site Acquisition Fund	407
Enhanced Communications Planning & Implementation	12,099
Legion Park Plan-Economic Impact Analysis	40,647
TOTAL EXPENDITURES	800,768
2025 REVENUES > EXPENDITURES	156,543
FUND BALANCE 12/31/25	1,049,356

Work Plan – Overview of Process

The GREDA Board of Commissioners recently completed the development of their 2025 Work Plan. The work plan development process first involved a review of the unfinished business from the 2024 Work Plan, and a review of the goals stated within the Economic Development Element of the Comprehensive Plan. From that exercise, the GREDA Commissioners identified a list of potential objectives for 2025. Those potential objectives were examined and ranked by the individual GREDA members, and, through additional group discussion, GREDA approved a list of priorities and a work approach for the issues they will take a lead role in completing and those that they will partner with others on.

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

Community impact: If the goal is achieved, will the impact be substantial in the community?

Chances of success: Is the objective reasonably attainable?

Resource availability: Does EDA/City of Grand Rapids possess adequate resources to achieve this goal?

EDA ownership: But for the EDA, will any other entity, commission or department achieve this objective?

The resulting work plan is shown on the following four pages of this report.

Grand Rapids Economic Development Authority
2026 Work Plan

✱ Results of Issue Identification and Ranking			✱ Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	**Role**	**Term (years) Short 1-2 Med. 3-5 Long 6+**	**Q1**	**Q2**	**Q3**	**Q4**
Industry Advancement/Support						
Ensure an adequate inventory of industrial sites and facilities exist to accommodate full industrial, warehousing & distribution business expansion and relocation potential.	Lead	S	▪ Complete as needed due diligence to ensure sites are "shovel-ready". ▪ Scope out development costs for future industrial park expansion.	▪ Continue efforts to secure land for expansion of the Airport South Industrial Park.	●────	────▶
Continue to work with HWY 35 on current and future development opportunities.	Lead	S	▪ Collaborate with HWY 35 on efforts focused on workforce attraction. ▪ Work with spinoff developments/businesses interested in a Grand Rapids location. ▪ Work with HWY 35 to develop a plan for development of the undeveloped portion of their site. ▪ Investigate opportunities for the development of a spec industrial building with support from IRRR.	▪ Collaborate with GRPUC on the possible expansion of the adjacent Tioga electrical sub-station.	●────	────▶

Grand Rapids Economic Development Authority 2026 Work Plan Page 1 of 4

✱ Results of Issue Identification and Ranking			✱ Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	**Role**	**Term (years) Short 1-2 Med. 3-5 Long 6+**	**Q1**	**Q2**	**Q3**	**Q4**
Industry Advancement/Support						
Pursue strategic property acquisitions in key commercial, industrial, and residential areas.	Lead	S	▪ In addition to the strategic acquisition of commercial and industrial sites, review the current inventory of land available for hosing and determine if there is a need for GREDA to secure a site or sites.	●————	————	————▶
Take proactive steps to ensure that Grand Rapids can both position itself to attract new, emerging industries and sustain its current industries	Lead	S	▪ Continue work to re-establish 48C Tax Credit eligibility for the Grand Rapids industrial parks.	▪ Collaborate with and advocate for the GRPUC's development of competitive industrial utility rates and make that information readily available to prospective industries.	▪ Meet with existing large industrial employers to discuss potential impacts of the impending Boswell Energy decommissioning. ▪ Support efforts to revise sulfate standards.	
Support business retention and attraction by leading and partnering in efforts focused on workforce recruitment, workforce development and childcare availability.	Lead & Partner	S	▪ Participate in the Iron Range working group assembled to explore use of the recently expanded Federal Child and Dependent Care Tax Credit program, Section 45F.	▪ Interview major employers to document challenges experienced in recruiting workforce. ▪ Issue an RFP seeking professional assistance with specific expertise in developing a workforce recruitment plans/strategies for like positioned rural communities. ▪ Begin and implement of the plan.	●————	————▶

✱ Results of Issue Identification and Ranking			✱ Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	**Role**	**Term (years) Short 1-2 Med. 3-5 Long 6+**	**Q1**	**Q2**	**Q3**	**Q4**
Industry Advancement/Support						
Lead and partner in initiatives addressing housing shortages.	Lead & Partner	S	▪ Advance the redevelopment of the former ISD 318 Admin. building site in collaboration with the Itasca County HRA. ▪ Support local development interest in the development of a multi-family cooperative housing development.	▪ Work with housing developers, area employers, MN IRRR, MHFA, GMHF and Blandin Foundation to incentivize and remove financial barriers for projects. ▪ Support 2026 applications to MHFA Housing Tax Credit program for Grand Rapids projects.	●————	————▶
Provide as needed support for wood product industries.	Lead	S	▪ Continue ongoing regular communications with Blandin Paper management regarding as needed assistance.	●————	————	————▶
Transportation/Logistics						
Continue to advocate for highway transportation route improvements to improve linkages between Grand Rapids and the interstate and the Duluth Port.	Lead	L		▪ Meet with Yanmar, Blandin, L&M and other major employers that use this transportation corridor to understand their current and future needs. ▪ Continue to explore funding/opportunities for a transportation study to document need for improvements.	●————	————▶

✱ Results of Issue Identification and Ranking			✱ Desired Outcomes/Work Approach/Schedule			
Issue/Task/Work Item	**Role**	**Term (years) Short 1-2 Med. 3-5 Long 6+**	**Q1**	**Q2**	**Q3**	**Q4**
Redevelopment & Downtown						
Continue implementation of the Downtown Plan	Lead	S	▪ Provide continued support to the newly established Downtown Alliance. ▪ Utilize the Blandin Foundation grant funds to help the Alliance achieve two significant goals in their three-year plan. Those being the planning and implementation of pedestrian wayfinding and the implementation of Downtown branding.	▪ Assist with the redevelopment of downtown sites, specifically the Pluemers Building, GREDA lots and Block 36 (Free Range Food Co-op) ▪ Continue to market the Downtown Mandated Building Improvement Loan and the Commercial Building Improvement Loan programs.		
Continue implementation of the Hwy. 2 Land Use and Development Study	Lead	S	▪ Secure funds and complete the demolition of the former Farm Service Cooperative building and market the site for development.	▪ Continue to pursue the acquisition of other key redevelopment sites along the corridor. ▪ Support private redevelopment efforts.	.	