



Blandin Foundation™
STRENGTHENING RURAL MINNESOTA



Grants Over \$50,000

Application Due:

March 15 | June 15 | September 15 | December 15

Grants Over \$50,000

If you haven't already, please visit our [website](#) to check your project's fit with our eligibility guidelines and areas of focus. Please email all grant applications to grants@blandinfoundation.org. Supporting information may be mailed separately or scanned and sent as attachments. **If you do not receive acknowledgment of your application in 2-3 business days, please call us at 218-326-0523.**

Organization Information

Grand Rapids Economic Development Authority

<i>Name of organization</i>	<i>Name on articles of incorporation, if different</i>	
420 N. Pokegama Avenue	Grand Rapids, MN 55744	41-6005201
<i>Address</i>	<i>City, State, Zip</i>	<i>Employer Identification Number (EIN)</i>
218 326-7622	218 326-7621	www.grandrapidseda.com
<i>Phone</i>	<i>Fax</i>	<i>Website</i>
Rob Mattei	Executive Director	(218) 244-2924 rmattei@grandrapidsmn.gov

<i>Name of Executive Director, CEO, Board Chair, or Lead Organizer</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
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(Same)

<i>Name of contact person regarding this application</i>	<i>Title</i>	<i>Phone</i>	<i>E-mail</i>
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Is your organization an IRS 501(c)(3) nonprofit? Yes No

If no, is your organization a public agency, tribal government entity, or unit of government?

Yes No

If no, list name and address of fiscal agent, including EIN number:

EIN Number

If working through a fiscal agent, please attach an email or letter confirming they have agreed to be fiscal agent for your organization.

Proposal Summary

Duration of project: April 2022 to December 2022

Please give a 2-3 sentence summary of your proposal:

The Grand Rapids Economic Development Authority (GREDA), with assistance provided by the Blandin Foundation and the MN Department of Iron Range Resources and Rehabilitation, has completed a community planning process that featured active public participation to combine local knowledge and leadership with professional expertise and guidance in the preparation of an updated Downtown Plan. The Downtown Plan articulates an up-to-date vision and implementation strategy focused on the core concept of activation through physical design, investment strategies, economic niche and business mix and downtown organization.

The planning process brought to light that Grand Rapids lacks the organizational capacity to support a vibrant downtown. The establishment of that organizational capacity is a key objective of the Downtown Plan, and, therefore, a necessary first step in the short- and long-term implementation of the Plan. The proposed project involves funding professional assistance to review successful peer markets and guide/facilitate the development of an appropriate organization structure, leadership, goals, and budget for the first 3-5 years of operation.

Please give a 1-2 sentence summary of the geographic area your proposal will serve:

A vibrant Downtown, through an organized and engaged group of downtown business owners, property owners, public and non-profit entities will serve to attract new talent, business investment and strengthen existing businesses in the heart of the City. The businesses in this area serve a retail trade-area population of 49,000 residents in Itasca, Aitkin and Cass and St. Louis counties.

Furthermore, according to a data source subscription obtained by VGR, the City and Itasca County that extracts cell phone data within geofenced areas, downtown Grand Rapids is the most visited point of interest in Itasca County, attracting over 85,000 unique visitors traveling from further than 50 miles away, in 2021.

Please give a 1-2 sentence summary of how your board and staff are representative of the population you serve.

The Grand Rapids Economic Development Authority is a public body established under Minnesota Statute Chapter 469 and enabling resolutions enacted by the City Council of the City of Grand Rapids. The seven member GREDA Board of Commissioners includes: two City Council members, a business financial officer, an accountant/business owner, a business owner, an economic development loan officer and a retired power industry CEO. All GREDA members are appointed by the Mayor and approved by the City Council and must demonstrate an interest and concern about present and future development of the economy, an ability to keep an open and objective mind, and have linkages with neighborhood, citizen groups and the business community.

The Director of Community Development serves as the GREDA Executive Director, their Bond and Economic Development Counsel, Martha Ingram (Kennedy and Graven) and the City Finance Director provide staff support to GREDA.

Budget Summary

Fiscal Year of Organization or Project:	2023 to 2024
Total project budget:	\$85,000
Total dollar amount requested of Blandin Foundation:	\$55,000
Total annual budget (organization operating budget):	\$16,000

Signature

 Rob Mattei _____
Name of CEO/Executive Director or Board Chair



Signature (scanned/electronic signature acceptable)

Proposal Narrative

Organizational Profile

The mission of GREDA is to promote growth in our local economy through efforts focused on business recruitment and attraction, and business retention and expansion within the corporate limits of the City of Grand Rapids. A summary of the types of activities in which GREDA engages is as follows:

- 1) *Administration of the GREDA Commercial Building Improvement Loan Program.*
- 2) *Act as a redevelopment agency in the promotion, encouragement and development of sound industry and commerce through governmental action to prevent the emergence of, or to correct, conditions of blight or marginal land. Acting as a redevelopment agency, some of the GREDA's abilities include:*
 - a) *Acquire, construct, and hold lands, buildings, easements, improvements to lands and buildings to be located on designated sites.*
 - b) *Issue revenue bonds to finance some or all costs of acquisition, construction, and reconstruction.*
- 3) *Involvement in the development and implementation of local business retention and expansion (BRE) programs.*
- 4) *The development of industrial parks in the City of Grand Rapids, including activities such as:*
 - a) *Site selection*
 - b) *Land acquisition through purchase or lease, with powers of eminent domain if necessary, and with the power to issue general obligation bonds with City Council authorization.*
 - c) *Enter into contracts for the development of: subdivision plats, extensions of infrastructure, building construction.*
 - d) *Business recruitment followed by sale or lease of real or personal property.*
- 5) *Study and analyze the economic development needs in the City and propose actions to meet those needs.*
- 6) *May participate with public or private corporations or other entities whose purpose is to provide seed or venture capital to small businesses located or to be located in an economic development district within the City.*

GREDA has taken the lead role for the City of Grand Rapids in the creation of four industrial park areas in Grand Rapids, beginning in 1969. Industries and facilities already located in these industrial parks include ASV Inc., Arrowhead Promotion, Minnesota Diversified Industries, Viking Electric, Schroeder Log Home Supply, and the US Forest Service Fire Training Center. Within the two industrial parks, developed on the north side of Lily Lake between 1992 and 2002, six industries are now operating, providing over 650 jobs to residents of the Grand Rapids area. In April of 2007, GREDA entered into a public/private partnership with Round Development and the City of Grand Rapids to create the Airport South Industrial Park. This forty acre industrial park is located in southeast Grand Rapids adjacent to the south side of 29th St. SE, and the west side of 7th Ave. SE (Airport Rd.). Since the development of this park, GREDA has attracted the location of Swan Machine, Country Hearth Bread distribution and Frito Lay distribution. In 2010, Itasca Economic Development Corporation (IEDC) requested GREDA's purchase of a 25-acre portion of the former Ainsworth OSB plant to improve IEDC's cash position following their acquisition of the site. GREDA achieved shovel-ready certification for the site and within three years had sold it to two businesses, DC Manufacturing and Hammerlund Construction, and delivered IRR grants to both projects.

GREDA has also been active in promoting re-development of underutilized, publicly owned, property along the Mississippi riverfront, following the recommendations within the Riverfront Framework Plan. This effort led to the development of the Glorvigen Office building at the corner of 1st Ave. E. and 2nd St. North. Adjacent to the Grand Rapids Area Library, the GREDA also successfully negotiated the sale of GREDA riverfront property, leading to the development of the KAXE public radio broadcast center and outdoor performance amphitheater. The Block 20/21 site, north of the Library, and the Block 5 site, east of 3rd Ave, are additional sites currently available for development in this area.

The objective of revitalizing the Downtown Central Business District has been a consistent area of focus for GREDA. The Downtown Redevelopment Master Plan establishes a collection of fundamental objectives for directing redevelopment in the Downtown, and specifically identifies key redevelopment opportunity sites in the Downtown with strategies for the use of public and private investment. The Plan also provides guidance for improvements to the public realm (streetscape) and public parking areas to create a renewed Downtown.

In addition to the improvements the public realm in the Downtown, GREDA has been engaging private interest in the larger task of securing the redevelopment of deteriorated, underutilized, properties within the opportunity sites identified in the Plan. Past successes include:

- Block 37 Redevelopment Project - Block 37 is the block bordered on the north by Highway 2, on the east by Highway 169 and on the west by First Ave. W. GREDA assembled/purchased vacant properties for conveyance to Rennix Corporation, the developer and assisted Rennix with a short-term (18-month) acquisition loan, provided through the Downtown Redevelopment Loan PRI with the Blandin Foundation. With GREDA's recommendation, the City of Grand Rapids created a Tax Increment Financing Redevelopment District to support the acquisition and private renovation of two substandard commercial buildings (now the Crossings Marketplace and the Crossings buildings), the demolition of one substandard commercial building, and the new construction of a commercial building which is now Members Cooperative Credit Union.
- Block 19 Redevelopment Project - GREDA and the City sold a building (abandoned Township Hall) to the Rapids Brewing development, secured an IRR grant used to fund the demolition of

two buildings and provided a Small Cities Development Program (SCDP) deferred/forgivable loan as well as a low interest CBIL loan to Rapids Brewing for the renovation of the former Rialto Theater building. Now that Rapids Brewing has established their business, they have purchased the adjoining building to the south and are planning an expansion of brewing capacity and seating. In addition, GREDA provided a SCDP deferred/forgivable loan to Wayne's Automotive for their façade improvements.

Some of the items on the GREDA 2023 Work Plan include:

- Support the needs of industries looking to occupy portions of the Voyageur Capital building*
- Continue to support the ASV/Yanmar Expansion*
- Begin implementation of the updated Downtown Plan.*
- Ensure an adequate inventory of industrial sites and facilities exist to accommodate full industrial, warehousing & distribution business expansion and re-location potential.*
- Continue to support our medical service providers to ensure that Grand Rapids maintains and grows its position as a regional hub.*
- Continue to advocate for highway transportation route improvements to improve linkages between Grand Rapids and the interstate, the Duluth port.*
- Consider ways to support the relocation/renovation of local small businesses and assist with ADA compliance improvement funding options.*

GREDA staff has developed effective partnerships with state, regional and local economic development organizations such as MN IRRR, DEED, and IEDC. A recent example of a collaborative effort involved leading the effort to attract the relocation of ASV Holdings' parts distribution division from a third-party logistics vendor in Mississippi to Grand Rapids. GREDA pulled in IRRR and DEED representatives to discuss the project with ASV officials. GREDA applied for and received funds from the DEED Minnesota Investment Fund program and used those to provide a \$125,000 equipment loan to ASV with forgivable and low interest terms. IRRR provided a \$300,000 business loan with forgivable terms based on specific employment targets.

More recently, that same process was repeated on a larger scale with GREDA leading the effort, together with IRRR, DEED, the City and the County to support Yanmar Compact Equipment North America (ASV)'s expansion. The expansion involves \$9.5M CAPEX in construction of a 32,000 sq. ft. paint facility addition and equipment purchases. The expansion will require significant staffing, approximately 360 FTE, to accomplish a ramp-up of their production of Compact Track Loaders and the relocation of a new Compact Excavator production line from their parent company in Japan.

Purpose of Grant

A. Background

The 2006 Downtown Plan successfully guided public policy decisions and investments as well as stimulated private investment in the Downtown for the past 17 years. Unquestionably, the sum of the efforts made under the guidance of that plan put the downtown in a much better position than it was in 2006. Private investment interest is growing, fewer buildings are vacant, blighted conditions are greatly reduced, the public realm is more pedestrian friendly and inviting, and the downtown is much more active.

The Grand Rapids Economic Development Authority, with assistance from the Blandin Foundation and MN Iron Range Resources and Rehabilitation, recently completed a process of public engagement, lead with professional guidance, to update to the Downtown Plan.

The new Downtown Plan explores potential and opportunities for change, investment, and preservation throughout the study area. The Plan provides a framework for the strategies and solutions for Downtown Grand Rapids, and involves the key elements of land use, transportation and mobility, economic development, and streetscape and public realm. This framework provides the overall concepts and solutions that will support movement in achieving the vision established through this process.

The recommendations identified within the Plan focus on the core concept of activation. Four focus areas support the concept of activation, including physical design & appearance, economic niche & business mix, investment strategies, and downtown organization.

Overall, the framework for each of the four areas looked to emphasize three key opportunities:

ACTIVATION is the opportunity to make and create places and spaces that provide experiences, connections, and memories. Activation within the Downtown can take many forms, from built improvements that create a new destination, from gathering spaces to facilitate connection to community events that draw the community and visitors to Downtown.

MOBILITY is the ability to move safely and efficiently from place to place. There are many varied priorities for mobility Downtown and opportunities must balance these varied priorities to continue to support access to destinations and through movements along US 2 and US 169.

PLACEMAKING is an opportunity to establish a sense of place or identity for Downtown. This identity can be used to solidify who Downtown is and how it connects to the broader community. Additionally, that identity can be further refined to support specific destinations and districts.

The economic development strategies within the Plan emphasize that “to maintain a vibrant, well-activated downtown our community needs a downtown organization with the capacity to bring together private business and property owners, the public, non-profit, and philanthropic sectors. Large employers in the community with a vested interest in the success of downtown should be actively supportive and engaged. The organization should have the capacity to carry out research functions to clarify the evolving market niche of downtown Grand Rapids. The organization should encourage alignment of the downtown business mix, activation strategies, financing and technical assistance strategies, and physical design and appearance with these market insights. The organization needs the capacity to support a range of activation strategies and communicate effectively with targeted audiences.”

The organization of these stakeholders is a key first step toward implementation of the Downtown Plan. GREDA has sought the assistance of Janna King of Economic Development Strategies (Consultant), a sub-consultant in the preparation of the Downtown Plan with broad experience in organizing and operating downtown organizations. The proposed project will utilize that expertise and



familiarity with downtown Grand Rapids and its stakeholders as described in the following implementation section.

B. Implementation

As previously stated, Grand Rapids currently lacks the organizational capacity to support a vibrant downtown. To create that capacity, this project will provide an opportunity for our community to learn about the capabilities and effectiveness of downtown organizations in peer markets and use that information to guide the creation of an organization to support downtown Grand Rapids. With that context, the Consultant will guide stakeholders to create the appropriate organizational structure, leadership, goals, budget, and funding for a 3-to-5-year period.

The new organization will need to raise funds and recruit volunteer leadership and appropriate staff, consultants, and/or contract with partner organizations to ensure that organizational goals can be accomplished. To be successful on an ongoing basis, the organization must create systems to measure progress and impact in achieving goals. With this information, the organization can refine and adjust their strategies as needed. The organization also needs to establish and implement systems for communicating regularly with business and property owners, funders, community stakeholders and potential downtown investors. It is also essential to build the capacity to communicate effectively with area residents, visitors, and potential visitors, and support a range of events as a sponsor or partner.

The Consultant's proposed approach and scope for this project involves the following:

1. Draft a **preliminary work plan** for the organization's initial two years based on the Downtown Grand Rapids Plan Update. Identify key areas of responsibility and capabilities that will be needed to implement the Grand Rapids Plan Update.

2. Work with the Community Development Director to **establish an Advisory Committee** of downtown stakeholders including business and property owners and anchor institutions in the community. The Advisory Committee members will be actively involved in helping shape a public-private downtown organization focused on long-term downtown vitality with the capacity to act strategically and respond to market challenges and opportunities. An in-person kick-off meeting of the Advisory Committee will be held focusing on the following elements.

- *Introductions*
- *Why create a downtown organization?*
- *Highlights of the Downtown Grand Rapids Plan Update and the expected role of a downtown organization in implementing the plan and sustaining a healthy downtown in Grand Rapids*
- *Advisory Committee members responsibilities*
- *Preliminary timeline*
- *Discussion of possible "model" downtown organizations in regional center communities.*
Several possibilities will be suggested, and advisory committee members will be asked for additional suggestions.
- *Next steps*

3. The **consultant will do a preliminary evaluation of candidate downtown organizations** in regional center communities in Greater Minnesota that could serve as models for Grand Rapids and share the results with the Advisory Committee via Zoom. The preliminary evaluation will identify:

- *Organization (i.e., structure, leadership, partnerships, "big picture" staffing, budget, funding)*
- *Market characteristics (i.e., size, seasonality related to tourism)*
- *Focus of downtown organization (e.g., strategy and business mix, physical revitalization, design and appearance, financing and technical assistance, marketing and promotion, activation, coordinating activities and events)*

4. The consultant will **research the selected peer communities** gathering more information about

- Peer downtown challenges, accomplishments, and impact over time
- Strategy and elements considered critical by peer community stakeholders
- Additional detail on organizational structure, relationships with other development-related organizations (e.g., chambers, development organizations, visitors' bureaus), staffing, budgets

5. The Consultant will further **expand upon the peer community research with the Advisory Committee** by facilitating:

- **Advisory Committee bus tour** (The tour could also be opened to other downtown stakeholders) Peer community findings would be shared with approximately 25 participants in a 2 night, 3-day bus tour. With this approach community stakeholders share the first-hand experience of seeing a variety of downtown challenges and solutions and learning directly from stakeholders in other communities. A trip gets community stakeholders "away" and creates an opportunity to build relationships, trust and shared understandings. A brief survey on the bus and an in person facilitated session following the tour will identify elements of the various models that would be appropriate for Grand Rapids.

6. The Consultant will **work with the Advisory Committee to refine the new organization's workplan for the initial two years** based on peer community research and meet with community and economic development organizations serving Grand Rapids regarding their interest and capacity to partner and provide services to the downtown organization. The consultant will also work with the Advisory Committee to develop recommendations regarding three elements important to getting an organization up and running: bylaws (draft – subject to legal review), membership structure and location of the downtown organization's offices.

7. The consultant will **prepare a draft report and recommendations** regarding the creation of a sustainable downtown organization appropriate for Grand Rapids. The draft will be shared with Community Development staff and Advisory Committee members for feedback and revisions.

8. The Consultant has also proposed to provide the following **additional tasks**:

- Explore the willingness of funders to provide financial support based on the report. Adjust report as needed to reflect realistic fundraising capacity.
- Prepare a job description that reflects the qualifications and responsibilities for leadership of a downtown organization serving Grand Rapids.

The key element to the success of this project is the active engagement of the downtown stakeholder groups. Active engagement generates buy-in, enthusiasm and desire to be involved in the implementation of a newly formed downtown organization. Through the active participation in the recently completed Downtown Plan, the desire and enthusiasm for an effective and sustainable downtown organization is clearly there.

Assessment

Success will be measured through the implementation and sustainability of an effective downtown organization.

Project Budget

Revenue:	
Blandin Foundation	\$55,000
IRRR Development Partnership (not secured)	15,000
GREDA	15,000
Total:	\$85,000
Expenses:	
Consultant Fees	\$62,550
Tour (transportation, food, and lodging)	18,200
GREDA (in-kind)	4,250
Total:	\$85,000

Organizational Budget – GREDA Operating Budget

CITY OF GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY						
<i>Actual 2018-2021 Expenditures, 2022 Budget And Proposed 2023 Budget</i>						
	2018 ACTUAL	2019 ACTUAL	2020 ACTUAL	2021 ACTUAL	2022 BUDGET	PROPOSED 2023 BUDGET
Fund Balance 1/1/XX:	28,558	30,968	17,096	2,880	18,096	2,046
REVENUES:						
Taxes						
Current	15,000	-	-	30,000	-	35,000
Fiscal Disparities	-	-	-	-	-	-
Total Taxes	15,000	-	-	30,000	-	35,000
Intergovernmental						
Supplemental Aid	-	-	-	-	-	-
Total Intergovernmental	-	-	-	-	-	-
Miscellaneous Revenue						
Miscellaneous Revenue	779	-	-	-	-	-
Interest - Investments	345	427	164	95	200	200
Total Miscellaneous	1,124	427	164	95	200	200
Other Sources						
Fund Balance Usage	-	-	-	-	16,050	-
TOTAL REVENUES	16,124	427	164	30,095	16,250	35,200
EXPENDITURES:						
Supplies/Materials	31	23	13	12	50	100
Professional Services	153	229	150	230	400	400
Accounting/Auditing Services	2,360	3,183	3,697	3,690	3,800	3,800
Legal	779	752	220	421	1,200	1,000
Consulting	10,000	10,000	10,000	10,000	10,000	10,000
Seminars/Meetings	-	-	-	-	250	250
General Insurance	17	17	20	18	50	100
Other Charges & Services	374	94	280	508	500	500
TOTAL EXPENDITURES	13,714	14,298	14,380	14,878	16,250	16,150
REVENUES > EXPENDITURES	2,410	(13,871)	(14,216)	15,216	-	19,050
FUND BALANCE 12/31/XX	\$ 30,968	\$ 17,097	\$ 2,880	\$ 18,096	\$ 2,046	\$ 21,096

GREDA website (list of board members)

www.grandrapidseda.com

Audited Financial Statement and 2006 Downtown Redevelopment Masterplan Attached