



GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY MEETING MINUTES

Thursday, July 10, 2025
4:00 PM

President Blake called the meeting to order at 4:02 PM.

PRESENT: President Sholom Blake, Commissioner Wayne Bruns, Commissioner Bill Martinetto, Council Representative Rick Blake, Council Representative Dan Mertes. ABSENT: Commissioner Al Hodnik.

STAFF: Rob Mattei, Kimberly Gibeau

SETTING OF THE REGULAR AGENDA - *This is an opportunity to approve the regular agenda as presented, or to add/delete an agenda item by a majority vote of the Commissioners present .*

Upon review, no changes or additions are noted.

APPROVE MINUTES

1. Consider approval of minutes from the June 26, 2025 regular meeting.

Motion made by Commissioner Martinetto, Second by Council Representative Mertes to approve the minutes of June 26, 2025 as presented. Voting Yea: President Blake, Commissioner Bruns, Commissioner Martinetto, Council Representative Blake, Council Representative Mertes

APPROVE CLAIMS

2. Consider approval of claims in the amount of \$3,016.

President Blake asked for clarification regarding claim for Kutak Rock.

Mr. Mattei explains that their previous economic development attorney was Gina Fiorini from the firm Kennedy and Graven. When Gina moved to a new firm, Kutak Rock, they continued their legal business with her at that firm.

Motion made by Council Representative Blake, Second by Commissioner Martinetto to approve the verified claims as presented. Voting Yea: President Blake, Commissioner Bruns, Commissioner Martinetto, Council Representative Blake, Council Representative Mertes

BUSINESS

3. Consider approval of a lease with Celadon Garden Pottery for Suite 112 of Central School

Celadon Garden Pottery is leasing Suite 112 in Central School, a space formerly occupied by True North. True North is expanding into Suites 101 and 102. The new lease for Garden

Pottery starts August 1st and runs through the end of the year, consistent with other standard leases. The building is now at 75% occupancy—the highest it's been in a while.

Motion made by Commissioner Bruns, Second by Commissioner Martinetto to approve Central School lease with Celadon Garden Pottery as presented. Voting Yea: President Blake, Commissioner Bruns, Commissioner Martinetto, Council Representative Blake, Council Representative Mertes

4. Discuss a request for extended use of Suite 209 of Central School submitted by Free Range Food Co-op

Free Range Food Co-op is currently leasing Suite 209 at Central School. Their original lease began on April 1st and is set to expire on July 30th. The initial months were rent-free to support their capital campaign for a new downtown grocery store on EDA-owned Block 36.

Free Range is requesting to extend their lease at a discounted rate of \$300/month. They've committed to vacating the space with two weeks' notice if a new tenant agrees to lease the space at full market rent.

This is a corner unit that's been vacant for around five years. Members agrees it's a worthwhile project aligned with the downtown development plan. There are some concerns about setting a precedent for discounted rates, though support was voiced for the temporary use, especially since it generates traffic and attention for Central School and could help attract new tenants. Momentum and increased interest in Central School are seen as a positive trend.

Motion made by Commissioner Bruns, Second by Council Representative Mertes to approve lease extension for Suite 209 of Central School to Free Range Food Co-op as presented. Voting Yea: President Blake, Commissioner Bruns, Council Representative Mertes. Voting Abstaining: Commissioner Martinetto, Council Representative Blake.

5. Consider approval of a Downtown Entertainment Loan to KAXE Northern Community Radio for the 2025 Riverfest.

Discussed a loan application from KAXE/Northern Community Radio to support the 2025 Riverfest, aligning with the downtown entertainment loan program's goal of helping local organizations manage the financial risks of hosting major public events. The total event budget is approximately \$380,000, with 2024 attendance around 2,400, including both paid ticket holders and volunteers. Notably, over half of attendees traveled from more than 50 miles away, boosting the local hospitality industry. The proposed loan would assist KAXE in booking entertainment and managing upfront event costs with reduced financial risk. The loan is structured for repayment only if event revenues meet or exceed budget expectations. In 2023, a partial repayment of around \$5,000 was made due to a \$25,000 net loss, while the 2022 loan was fully repaid. KAXE submits detailed budgets and actuals, breaking down expenses by talent, marketing, sponsorships, and other categories, and provides invoices as verification, especially when performance is below expectations. All past expenses have been deemed appropriate, with no administrative or hidden overhead included. The 2025 event budget is more conservative than in 2024, and community support appears to be growing, with increased volunteer participation and reduced rates from local service providers. Ultimately, the event is viewed as a valuable contributor to downtown vitality during the off-season and as a draw for out-of-town visitors.

Motion made by Council Representative Mertes, Second by Council Representative Blake to approve Downtown Entertainment Loan as presented. Voting Yea: President Blake, Commissioner Bruns, Commissioner Martinetto, Council Representative Blake, Council Representative Mertes

UPDATES

Rob Mattei provided updates and opened with a request to schedule a special meeting. The purpose is to move forward with the closing of the Oppiden Workforce Housing Project, which has experienced delays due to unexpected requirements from the developer's lender. These include a collateral assignment and a subordination agreement from the city. While assigning tax increment financing is typical, the lender's request to subordinate Minnesota Housing Finance Agency (MHFA) funding—a substantial portion of the project's financing—required significant negotiation. A workable approach has been identified, but the item didn't make it onto the current agenda. It was determined that there will be a special meeting held on Thursday, July 17, 2025 at 8:30 AM.

Update provided on the Trunk Highway 2 Land Use and Development Plan/Study. A joint presentation is tentatively scheduled for August 11 during a City Council work session. Bolton & Menk consultants will present on the land use and development aspects, while MnDOT will cover the transportation components. Though it's the same consulting firm, different teams will co-present the two facets of the project. The final presentation and project wrap-up are planned for August 28th EDA meeting.

And finally, just to let you know IRRB started their new fiscal year July 1st and has programs available to apply for. One of the projects I intend to work on getting an application together for is the demo and infrastructure for the housing development at the old school district administration building. Requests will be brought back to EDA at a later date.

There being no further business, the meeting adjourned at 4:27 PM.

Respectfully submitted,

Kimberly Gibeau, City Clerk