



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: May 14, 2026

STATEMENT OF ISSUE: Consider adopting a resolution approving a loan agreement with the Minnesota Dept. of Employment and Economic Development (DEED) and providing for the issuance of a revenue bond

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

As we've discussed, GREDA has the power granted to economic development authorities under the EDA Act to borrow money from the state government and under that same act possesses the power to issue revenue bonds.

DEED has approved GREDA's application for a \$420,000 maximum principal loan under DEED's Demolition Loan program. Following their program requirements, DEED requires that GREDA issue a revenue bond to DEED which is secured by a general obligation pledge of the City of Grand Rapids. To meet this requirement, the City has proposed to issue a general obligation bond payable from tax abatement revenues.

On May 26, the City will conduct a public hearing on the property tax abatements and to provide preliminary approval to issuance of a general obligation tax abatement bond in the principal amount of \$420,000.

For its part, as affirmed by this resolution, GREDA proposes to issue its Taxable Revenue Bond in the same principal amount, which will be purchased by DEED and paid primarily from the pledge of abatements from the City's bond.

The attached resolution for GREDA's consideration approves the loan agreement with DEED and authorizes the President and the Executive Director to execute it and directs officers and employees to implement it.

The resolution also finds that the GREDA Board considers it necessary and financially sound to issue the GREDA revenue bond, which subject to the approval by the City Council, will be payable from abatement revenues backed by a general obligation pledge.

RECOMMENDATION:

REQUIRED ACTION: Make a motion to adopt a resolution approving a loan agreement with the Minnesota Dept. of Employment and Economic Development (DEED) and providing for the issuance of a revenue bond