



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: January 11, 2024

STATEMENT OF ISSUE: Consider approval of a residential lease with HWY 35 LLC

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

As a reminder and for the benefit of new GREDA Commissioners, I will cover some additional background for context.

In 2015, GREDA purchased a 20-acre parcel with a four-bedroom home located at 3002 Airport Road. (Attached is a presentation on this topic, provided at that time) The property abuts the Airport Rd on the west, the Grand Rapids/Itasca County Airport (GPZ) taxiway on the east and 12.5 acres of GPZ owned property on the north. The strategy behind the purchase was first to accommodate the prospective development of an airplane manufacturer GREDA was in negotiations with at the time and secondly, if the airplane-manufacturing project did not eventually move forward, the property would serve as a location for a future industrial park expansion or another large industrial use.

The acquisition funding included a combination of a 0% interest Blandin Foundation Program Related Investment and GREDA Capital Projects funds. Since the acquisition, GREDA has rented the home as much as possible to reduce carrying costs, including the annual loan payment to the Blandin Foundation. For the past two years, GREDA has leased the home to ICS Consulting, a construction management firm that has worked on both the new elementary schools and fire hall construction projects.

HWY 35, LLC would like to lease the home for employees that will be working on the Grand Rapids project. The terms of the proposed lease are identical to the current lease except for the monthly rent, which we have increased by \$100.00.

The one year lease term begins February 1.

RECOMMENDATION:

Approve the Residential Lease with HWY 35 LLC for GREDA property at 3002 Airport Rd.

REQUIRED ACTION: Pass a motion approving the Residential Lease with HWY 35 LLC for GREDA property at 3002 Airport Rd.