



Grand Rapids EDA

Consideration of Kent Purchase Agreement

July 16, 2015



❖ Background History

- ◆ Through the purchase and prompt sale of a 25 acre tract along Co. Rd. 63 (portion of the former Ainsworth OSB Plant), GREDA realized a demand for large industrial sites; a demand, going forward, that would not adequately be served by GREDA's present inventory of smaller industrial sites.
- ◆ To better position the City of Grand Rapids for the future attraction of larger industrial developments, GREDA, in both the 2014 and 2015 *Work Plan*, set a goal to "explore potential for the purchase of a large tract for industrial development" and to "consider a proactive approach to land investment options".
- ◆ GREDA focused the search for a large tract(s) along the south Airport Rd. (7th Ave. E.) corridor:
 - ◇ The area is identified within the Comprehensive Plan as an intended, planned, area for industrial growth.
 - ◇ Adequate infrastructure is in place or accessible
 - ◇ The presence of lightly developed large tracts
 - ◇ The area's proximity to the Airport South Industrial Park and the Grand Rapids Itasca County Airport.

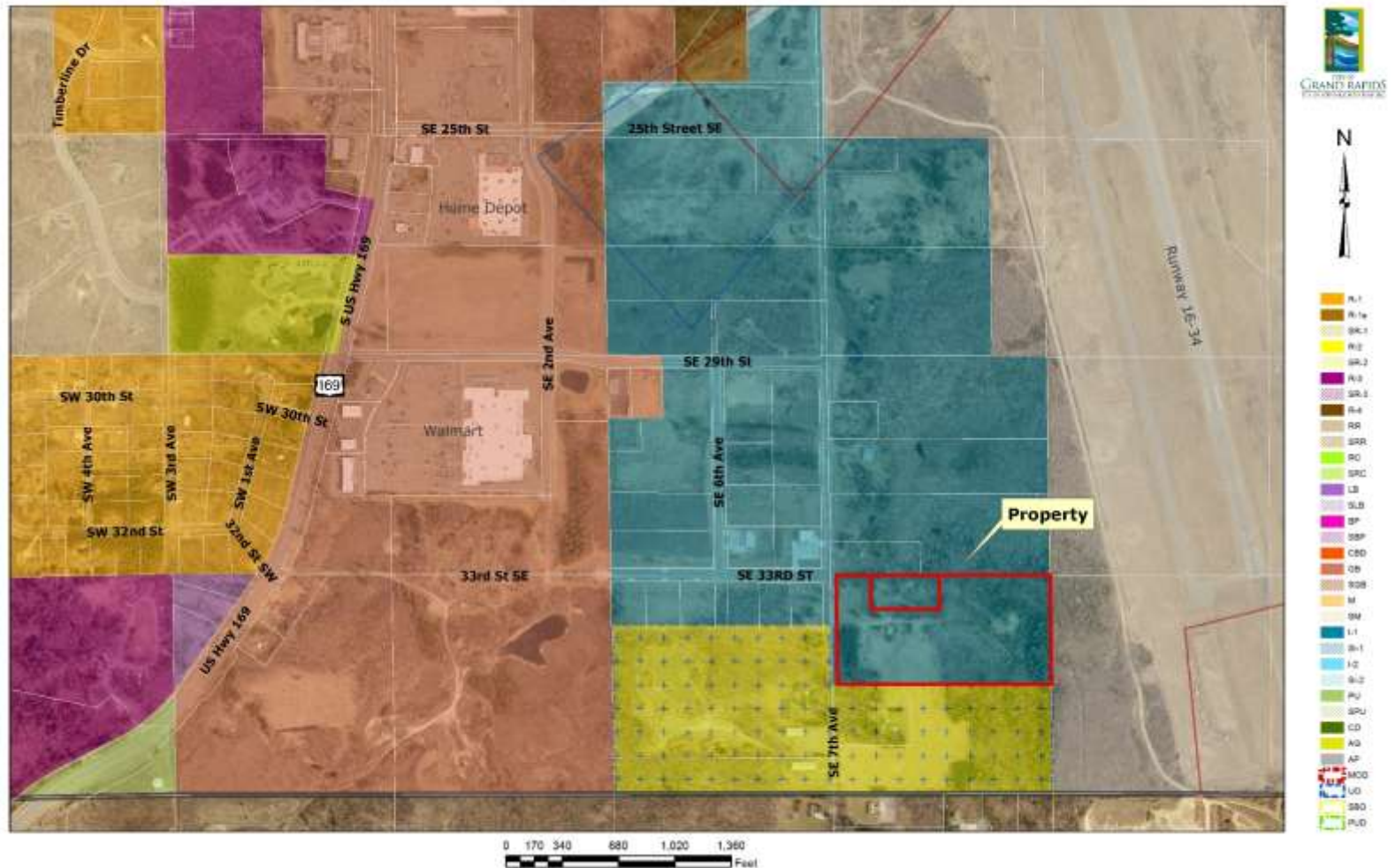


- ◆ Several property owners, in this area of the Airport Rd., were contacted by an acquisition facilitator under contract with GREDA. Only one owner, John, Lorette and Andrew Kent, (Kents) responded with interest.

❖ **Description of Property**

- ◆ Address: 3002 Airport Road
- ◆ Two contiguous parcels (91-033-4402 & 91-033-4401) comprising a total area of 19.6 acres, with approximate N/S dimension of 660' x E/W dimension of 1,320'
- ◆ Property includes a 2,020 sq. ft. 3 bedroom, single family home with 2 bathrooms. The property also includes 2 detached accessory buildings.

Property Location/Zoning



Property Features





Property Features





❖ Attributes

- ◆ The property is well suited for industrial development:
 - ◇ The area is already zoned Industrial (I-1)
 - ◇ Adjacent to the Airport South Industrial Park and the Grand Rapids Itasca County Airport
 - ◇ Access to sanitary sewer and water utilities, as well as 3 phase power.
 - ◇ Access to all season heavy haul roads.
 - ◇ Favorable soil conditions
 - ◇ Flexibility of being developed to support aviation or general industries
 - ◇ Flexibility of being developed as a single 20 acre site or being subdivided into 2 or 3 large sites. (map on next slide)

Alternative Future Subdivision Concept





❖ Purchase Agreement Terms

- ◆ Purchase Price: \$575,000
 - ◇ Negotiated, based upon GREDA's and seller's independent appraisals as well the brokers opinion of value presented by GREDA's contracted acquisition facilitator.
- ◆ Earnest Money: \$5,000 non-refundable, applied to the purchase price
- ◆ Buyer's pre-closing inspection (Environmental and Soil Investigations)
- ◆ Closing Date: on or before September 1, 2015
- ◆ All timber on the property included in the sale
- ◆ No relocation expenses to be paid



❖ Acquisition Funding

- ◆ Blandin Foundation Program Related Investment (PRI): \$350,000
 - ◇ Secured by a non-recourse promissory note
 - ◇ 20 year term: early full or partial pre-payment without penalty
 - ◇ 0% interest
 - ◇ \$17,500 annual payment to be funded by GREDA Levy or other sources
 - Other sources such as: single family home rental income, proceeds from sale or lease
 - ◆ GREDA Capital Projects Fund: \$225,000
- \$575,000**



QUESTIONS ?