



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: April 10, 2025

STATEMENT OF ISSUE: Consider the adoption of a resolution approving the First Amendment to the Preliminary Development Agreement between GREDA and Commonwealth Real Estate Acquisitions, LLC

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

On October 7, 2024, GREDA approved a Preliminary Development Agreement with Commonwealth Real Estate Acquisitions, LLC (Developer). That Agreement establishes Commonwealth as the sole developer of GREDA property for a period of 180 days, intending to provide an opportunity for the Developer and GREDA to negotiate a definitive purchase and development agreement to address the sale of the GREDA property (Parcel No. 91-028-1208) and the construction by the Developer of an affordable multi-family apartment building on the Property.

As previously discussed, the Developer will be submitting an application to Minnesota Housing Finance Administration (MHFA) for Low Income Housing Tax Credits for the project, which is due this July.

The following is a timeline of project milestones provided by the Developer:

July 2025: MN Housing Funding Application Due
Dec 2025: MN Housing Funding Decision
Jan 2026: Design & Engineering Begins Including Green Energy Consultant (Passive House Institute)
March 2026: MN Housing Kickoff - Tax Credit Investor Confirmed, Schematic Design/Design Development Submittal & MN Housing Architectural/Construction Review Begins
Sept. 2026: 100% Construction Drawings, Issue for Bid
Oct. 2026: Negotiate Purchase Agreement with GREDA
Nov. 2026: Building Permit Application
April 2027: Land & Financing Closing, Construction Begins
June 2028: Construction Complete, Lease up Begins (~15 mo. construction)
Aug. 2028: Fully leased-up

The First Amendment to the Preliminary Development Agreement will extend the Agreements term until December 31, 2025, and automatically extend it to June 31, 2026 if Commonwealth receives the LIHTC. This further extension will to enable commencement of construction within the required 1-year timeframe following the sale, as required of economic development authority land sales.

RECOMMENDATION:

REQUIRED ACTION: Pass a motion adopting a resolution approving the First Amendment to the Preliminary Development Agreement between GREDA and Commonwealth Real Estate Acquisitions, LLC