



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: March 28, 2024

STATEMENT OF ISSUE: Consider adopting a resolution approving purchase agreements with the City and SE 7th Ave. Distribution LLC related to the L&M Supply Distribution Center Project

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

Pursuant to the Development Assistance Agreement between the City of Grand Rapids, the Grand Rapids Economic Development Authority (GREDA) and SE 7th Ave. Distribution, LLC (Developer) dated December 15, 2023, GREDA is to convey to the Developer all of parcels: 91-033-1410, 91-033-1430, 91-033-4120 and a 4.3-acre portion of 91-033-1406 for their development of the L&M Supply Distribution Center. All but the last parcel mentioned were acquired by GREDA and simultaneously sold to the Developer on December 15, 2023.

The 4.3-acre portion of 91-033-1406 (Parcel) is jointly owned by the City and County under their Joint Powers Agreement for the Airport. This parcel was originally purchased with a FAA grant many years ago when the Airport Layout Plan included a crosswind runway on the south end of the main runway. With the eventual crosswind runway being constructed to the north of this area, this Parcel is no longer needed for airport purposes. The City Engineering Department has been working through the FAA since September of last year to get their clearance, allowing the sale of the property for non-aviation use.

With the FAA clearance expected before the end of this month, staff has forwarded to the Itasca County Board a request for them to quit-claim their interest in the Parcel to the City of Grand Rapids, granting the City clear title to the Parcel. That clear title will allow the City to convey the Parcel to GREDA at the appraised value. When that conveyance occurs, GREDA will subsequently convey the Parcel to SE 7th Ave. Distribution at the agreed 50% discount calculated from prorating the assessed value of the 4.31-acre portion of the whole parcel.

On September 28, 2023, GREDA held the required public hearing to consider the sale of the entire site, including this Parcel.

The attached resolution approves the Purchase Agreements between GREDA and the City of Grand Rapids and between GREDA and SE 7th Avenue Distribution, LLC.

REQUIRED ACTION: Make a motion to adopt a resolution approving purchase agreements with the City and SE 7th Ave. Distribution LLC related to the L&M Supply Distribution Center Project.