



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** February 10, 2022

**STATEMENT OF ISSUE:** Consider adopting a resolution approving a purchase agreement for the sale of the GREDA hangar to the Minnesota DNR.

**PREPARED BY:** Rob Mattei, GREDA Executive Director

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### **BACKGROUND:**

In late 2016, GREDA purchased a 7,500 sq. ft. hangar at the Grand Rapids/Itasca County Airport for a price of \$580,000 to facilitate the establishment of the aircraft manufacturer Kestrel Aircraft. Kestrel later became ONE Aviation when they acquired Eclipse Aerospace, a functioning light jet manufacturer in Albuquerque, NM. ONE Aviation experienced financial difficulties when their principal investor failed to adequately fund the business operations and finally volunteered to enter into a Chapter 11 restructuring. The Chapter 11 proceedings ended in early 2021 with a sale of assets to two new companies, ending prospects for the project in Grand Rapids.

Shortly after the removal of assets from GREDA's hangar, GREDA entered into a lease with the Minnesota DNR for the DNR's location of aircraft used by enforcement and wildfire division. GREDA conditioned the lease with a requirement that the DNR must make progress toward negotiating a purchase of the hangar from GREDA.

The proposed purchase agreement has been reviewed and revised by GREDA's attorney. The purchase price of \$600,000 is within the range of value determined by a broker's opinion of value prepared by the Wellson Group for GREDA.

### **RECOMMENDATION:**

Adopt a resolution approving a purchase agreement for the sale of the GREDA hangar to the Minnesota DNR.

### **REQUIRED ACTION:**

Pass a motion adopting a resolution approving a purchase agreement for the sale of the GREDA hangar to the Minnesota DNR.