

**GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY
CITY OF GRAND RAPIDS
ITASCA COUNTY
STATE OF MINNESOTA**

RESOLUTION NO. _____

**SUPPORTING (I) THE MODIFICATION OF THE
DEVELOPMENT PROGRAM FOR MUNICIPAL DEVELOPMENT
DISTRICT NO. 1; THE CREATION OF TAX INCREMENT
FINANCING DISTRICT NO. 1-14: L & M SUPPLY WITHIN
MUNICIPAL DEVELOPMENT DISTRICT NO. 1; AND THE
ADOPTION OF A TAX INCREMENT FINANCING PLAN
THEREFOR AND (II) A PROPERTY TAX ABATEMENT FOR
CERTAIN PROPERTY IN THE CITY**

WHEREAS, on August 10, 2023, the Board of Commissioners (the “Board”) of the Grand Rapids Economic Development Authority (the “Authority”) approved purchase agreements to acquire certain property located within the City of Grand Rapids, Minnesota (the “City”) and the Authority also intends to acquire additional property from the City (together, the “Property”); and

WHEREAS, on September 25, 2023, the City Council (the “City Council”) of the City will consider adopting a Modification to the Development Program (the “Development Program Modification”) for the City’s Municipal Development District No. 1 (the “Development District”) and a Tax Increment Financing Plan (the “TIF Plan” and together with the Development Program Modification, the “Plans”) for Tax Increment Financing District No. 1-14: L & M (an economic development district) (the “TIF District”), located within the Development District which includes the Property, all in accordance with Minnesota Statutes, Sections 469.124 through 469.133 and Sections 469.174 through 469.1794, all as amended (the “TIF Act”); and

WHEREAS, L & M Supply, Inc., a Minnesota corporation, SE 7th Ave Distribution LLC, or an affiliate thereof or entity related thereto (collectively, the “Developer”), has requested a land write down, tax increment financing assistance and tax abatement assistance from the Authority in the City in connection with the proposed acquisition of the Property from the Authority and the development of an approximately 210,000 square foot warehouse and distribution center thereon (the “Project”); and

WHEREAS, the proposed Plans have been presented to the Board and the Board has reviewed the Plans and the Developer’s proposal for the Project and information regarding the proposed tax increment financing assistance, land write down, and tax abatement assistance; and

WHEREAS, also on September 25, 2023, the City Council will consider granting a property tax abatement (the “Abatement”) for the Property to begin following the decertification of the TIF District, pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Abatement Act”); and

WHEREAS, the Authority will consider providing a land write down to the Developer and the City will consider providing tax increment financing assistance and abatement assistance to the Developer for the Project pursuant to a Development Assistance Agreement, by and between the City and the Developer (the “Agreement”).

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Grand Rapids Economic Development Authority as follows:

1. The Authority supports the Plans and the use of a portion of the tax increment generated from the TIF District and the Abatement to assist the Developer with financing a portion of the extraordinary development costs of the Project.

2. The Authority supports the creation of the TIF District and the adoption of the Plans; provided, however, that final authorization of tax increment financing assistance for the Project contemplated in the TIF Plan is solely within the discretion of the City Council following all proceedings required pursuant to the TIF Act.

3. The Authority supports granting the Abatement from the Property; provided, however, that final authorization of abatement assistance for the Project contemplated in the Agreement is within the discretion of the City Council following all proceedings required pursuant to the Abatement Act and following the review and approval by the Board of the Agreement.

Approved this September 14, 2023 by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary