



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: August 10, 2023

STATEMENT OF ISSUE: Consider adopting a resolution approving a Preliminary Development Agreement with Oppidan, Inc.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

On September 8, 2022, GREDA entered into a Preliminary Development Agreement (PDA) with Oppidan, Inc. upon receiving a Letter of Intent from Oppidan stating their interest in developing a project consisting of a 145-unit multi-family apartment on Lot 1, Block 1 of Great River Acres, which is owned by GREDA.

Over the past year, staff have worked Oppidan, looking at zoning requirements, their development of a pro-forma and possible sources of funding assistance. As we've discussed with the GREDA Board in the past, at this time, the combination of the increased cost of construction, static rental rates and higher interest rates has made the task of rendering this project as an attractive investment a challenge.

Oppidan intends to apply to the MHFA Workforce Housing Program later this year for funding above and beyond what the City has the capacity to consider. The award of funds from this program will not likely occur until the spring of 2024. If design work were to be on hold until then, the project would not likely begin until spring of 2025.

Staff has been facilitating discussions between Oppidan and IRRR about some initial funding through their Development Partnership grant program to assist an earlier start to design. The potential of this and the promise of some recent discussions with possible new industries in the area about partnerships have caused Oppidan to consider accelerating their approach to the project.

The original PDA expired in May. The attached letter from Oppidan requests a new PDA, which has the same terms as the original accept the project is now 132-units based upon a zoning review.

REQUIRED ACTION: Pass a motion adopting a resolution approving a Preliminary Development Agreement with Oppidan, Inc