



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** August 28, 2022

**STATEMENT OF ISSUE:** Consider approval of a Minnesota Investment Fund (MIF) Loan Agreement with ASV Holdings, LLC.

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

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### **BACKGROUND:**

The Minnesota Department of Employment and Economic Development (DEED) has prepared the attached loan agreement between GREDA and ASV Holdings for our approval. This agreement follows DEED's standard form and is very similar to the 2017 MIF loan agreement for the ASV Parts Distribution Center project.

As intended, the Agreement details the following general terms:

- A \$450,000 loan for the purchase of machinery and equipment.
- The full amount of the loan is forgivable upon ASV reaching the following job creation milestones:
  - Maintaining the currently existing 219 permanent FTE positions
  - Creating 115 new jobs on site, in the following wage brackets, over a two year period beginning upon the Benefit Date of August 30, 2023:
    - 23 jobs at a base wage of at least \$18.66/hour
    - 79 jobs at a base wage of at least \$20.21/hour
    - 13 jobs at a base wage of at least \$25.96/hour
- If the borrower doesn't achieve the job creation goal and wage commitments, the options are:
  - Lender may extend the compliance date up to one year.
  - If no extension is granted, or if after the extension, the borrower fails to meet the goals, borrower must repay a pro rata share of the loan principal at 3% interest.
- If loan proceeds are distributed prior to the August 30, 2025 Compliance Date, the borrower must provide an executed promissory note, security agreement and corporate guarantee from Yanmar Compact Equipment North America.

### **RECOMMENDATION:**

Review the draft Loan Agreement.

**REQUIRED ACTION:** Approve a motion entering into the Minnesota Investment Fund (MIF) Loan Agreement with ASV Holdings, LLC