

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. 23-

RESOLUTION REGARDING THE SUPPORT OF A JOB CREATION FUND APPLICATION IN  
CONNECTION WITH THE L&M SUPPLY DISTRIBUTION CENTER PROJECT

WHEREAS, the City of Grand Rapids, Minnesota (the "City"), desires to assist L&M Fleet Supply, Inc., a privately held retail company with locations in Northern Minnesota, Wisconsin and the upper peninsula of Michigan, to construct a state of the art 200,000 square foot distribution center in the City; and

WHEREAS, the City of Grand Rapids understands that L&M Fleet Supply, through and with the support of the City, intends to submit to the Minnesota Department of Employment and Economic Development an application for an award and/or rebate from the Job Creation Fund Program; and,

WHEREAS, the City of Grand Rapids held a city council meeting on August 14, 2023 to consider this matter.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF GRAND RAPIDS, Minnesota, that, after due consideration, the Mayor and City Council of the City of Grand Rapids, Minnesota, hereby adopts the following findings of fact related to the project proposed by L&M Fleet Supply, Inc. and its application for an award and/or rebate from the Job Creation Fund Program and express their approval.

The City Council hereby finds and adopts the reasons and facts supporting the following findings of fact for the approval of the Job Creation Fund Program application:

1. Finding that the project is in the public interest because it will encourage the growth of commerce and industry, prevent the movement of current or future operations to locations outside Minnesota, result in increased employment in Minnesota, and preserve or enhance the state and local tax base
  - L&M Fleet Supply is a major employer in the City of Grand Rapids with 245 full time employees including 62 administrative/professional, 81 in distribution and 102 in retail, with those employees earning a living wage and benefits. The proposed project would retain those 81 distribution jobs and increase that total employment by approximately 31 new employees over the next two years.
  - The new direct jobs proposed by L&M Fleet Supply would add approximately \$2.4M of payroll to our local economy, which will support other local business and lead to the creation of indirect employment.
  - The proposed L&M Fleet Supply project represents a capital investment of \$55M in the Grand Rapids facility, including equipment and building construction. This

investment will generate approximately \$600,000 of additional local taxes, annually.

2. Finding that the proposed project, in the opinion of the City Council, would not reasonably expected to occur solely through private investment within the reasonably foreseeable future.
  - Due to the increased costs of construction L&M Supply's proposed investment in the Grand Rapids Distribution Center Facility far exceeds the cost of leasing similar existing spaces in other communities more centrally located in their distribution network area. But for the financial assistance provided by the Job Creation Fund and other assistance proposed by the State of Minnesota and the City of Grand Rapids, the project is not likely to be attract the required investment and the facility would likely be located in existing warehouse space in larger markets within northwest Wisconsin.
3. Finding that the proposed project conforms to the general plan for the development or redevelopment of the City as a whole.
  - Consistent with the stated goals within the *City of Grand Rapids Comprehensive Plan*, the proposed project will support the growth of existing industries in Grand Rapids and further diversify the area's economic base, acting to shield it from market fluctuations experienced by natural resource based industries such as forest product manufacturing and mining.
4. Finding that the proposed project will afford maximum opportunity, consistent with the sound needs of the City as a whole, for the redevelopment or development of the project by private enterprise.
  - The proposed project will support and grow our local economy and population, which will, in turn, strengthen and diversify our community.

Sworn and Executed Under My Hand this 14 day of August 2023.

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Dale Christy, Mayor

ATTEST:

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Kim Gibeau, City Clerk