



REQUEST FOR COUNCIL ACTION

AGENDA DATE: April 28, 2025

AGENDA ITEM: Consider adopting a resolution approving an amendment to the tax abatement agreement between the City and Yanmar Compact Equipment North America.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

On February 14, 2023, the City and Itasca County entered into a Tax Abatement Agreement with Yanmar Compact Equipment North America “Yanmar” to support the expansion of their existing facility in Grand Rapids.

Prior to that, on October 12, 2022, the Grand Rapids Economic Development Authority entered a Minnesota Investment Fund Loan (MIF) Agreement with Yanmar. Pursuant to that agreement, Yanmar agreed to create a set number of jobs that met an average hourly wage, exclusive of benefits, of \$20.55/hour.

The job and wage requirements of the MIF Agreement and the Tax Abatement Agreement, which came afterwards, were intended to be the same. It was discovered during a recent filing of a report, however, that the wage requirement figure in the Tax Abatement Agreement was an error.

The approval of the First Amendment to Tax Abatement Agreement corrects the wage rate to match the MIF Agreement. This amendment will also require Itasca County Board approval.

REQUESTED COUNCIL ACTION:

Make a motion to approve the adoption of a resolution approving an amendment to the tax abatement agreement between the City and Yanmar Compact Equipment North America.