



REQUEST FOR COUNCIL ACTION

AGENDA DATE: August 8, 2022

AGENDA ITEM: Consider approval of a resolution approving the loan of a Minnesota Investment Fund grant to ASV Holdings, Inc. and the execution of related documents.

PREPARED BY: Rob Mattei, Director of Community Development

BACKGROUND:

The Grand Rapids Economic Development Authority (GREDA) was awarded a \$450,000 Minnesota Investment Fund (MIF) grant from the Minnesota Department of Employment and Economic Development (DEED) for the ASV/Yanmar Expansion Project.

As we have discussed, the ASV/Yanmar Expansion project will add significant new employment to the community, in excess of 300 positions over the next four to five years, and include a capital investment of approximately \$9.5 million in equipment and real property improvements.

With the proceeds of the MIF grant, GREDA intends to provide a forgivable loan to ASV for their purchase of equipment, with the forgivable terms based on achieving a goal of maintaining the existing 219 full time positions and creating at least 115 new full time position in the next two years.

Per the meaning established within the Minnesota Business Subsidy Act, the GREDA forgivable loan to ASV constitutes a “business subsidy”, requiring GREDA to conduct a public hearing to be held on August 11, 2022. The Act further requires the loan agreement to include a business subsidy agreement, found under Article 8.

The required resolution, under consideration, approves the business subsidy agreement contained in the loan agreement.

REQUESTED COUNCIL ACTION:

Make a motion to approve a resolution approving the loan of a Minnesota Investment Fund grant to ASV Holdings, Inc. and the execution of related documents.