



## REQUEST FOR GRAND RAPIDS EDA ACTION

---

**AGENDA DATE:** July 17, 2025

**STATEMENT OF ISSUE:** Consider adopting a resolution approving a collateral assignment and subordination of Development Assistance Agreement, TIF Note and Tax Abatement Note

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

---

### **BACKGROUND:**

The City, GREDA, and the Developer have negotiated a Development Assistance Agreement whereby the City and the Authority have agreed to provide financial assistance to the Developer.

The Developer's lender, Old National Bank (the "Lender"), has requested that the City and GREDA execute a Collateral Assignment and Subordination of Development Assistance Agreement, TIF Note and Tax Abatement Note (the "Assignment and Subordination") whereby the City and GREDA agree to the Developer's assignment of certain rights under the Development Assistance Agreement, the TIF Note, Abatement Note and the deferred loan provided by MHFA to the Lender as security for the Developer's senior financing.

In addition, the Assignment and Subordination subordinates certain rights and remedies of GREDA and the City including but not limited to repayment of the land write down that the Authority is providing for the sale of the land and the repayment of the deferred loan from MHFA. Such requests from lenders in tax increment financing and tax abatement projects are not uncommon.

In exchange for agreeing to the Assignment and Subordination, the City has negotiated changes to the Development Assistance Agreement whereby the Developer has agreed to deliver a corporate guaranty of Oppidan Investment Company and Oppidan Incorporated to secure its obligation to repay the MHFA deferred loan in the event MHFA requires repayment. Certain construction dates in the Development Agreement Assistance have also been extended by approximately one month.

With this final step, GREDA's sale and the project financing will be set for a closing in the next week or two and the project will begin construction shortly thereafter.

**REQUIRED ACTION:** Make a motion to adopt a resolution approving a collateral assignment and subordination of Development Assistance Agreement, TIF Note and Tax Abatement Note.