

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

RESOLUTION APPROVING A DEVELOPMENT ASSISTANCE AGREEMENT WITH KTJ 435, LLC

BE IT RESOLVED by the by the Board of Commissioners (the “Board of Commissioners”) of the Grand Rapids Economic Development Authority (the “Authority”) as follows:

Section 1. Recitals.

1.01. On December 2, 2025, following a duly noticed public hearing, the City of Grand Rapids, Minnesota (the “City”) established Tax Increment Financing District No. 1-17: Oppidan Workforce Housing (the “TIF District”), an economic development district within Municipal Development District No. 1 in the City, and adopted a Tax Increment Financing Plan therefor.

1.02. KTJ 435, LLC, a Minnesota limited liability company, or an affiliate thereof or an entity related thereto (the “Developer”), plans to purchase certain real property in the TIF District (the “Property”), which is owned by the Authority in accordance with a Purchase Agreement previously approved by the Authority.

1.03. The Developer proposes to acquire the Property from the Authority and construct, improve and equip thereon an approximately 132-unit market rate rental housing community (the “Project”).

1.04. To make the Project financially feasible, the Developer has requested financial assistance from the City and the Authority in the form of tax increment financing assistance, a property tax abatement, and a write down of the land acquisition price from the Authority.

1.05. The City proposes to reimburse the Developer for certain qualified costs for the Project in an amount not to exceed \$4,183,506, through the issuance of the City’s pay as you go Taxable Tax Increment Revenue Note (Oppidan Workforce Housing Project) (the “TIF Note”), subject to the terms and conditions set forth in that certain Development Assistance Agreement, by and between the City, the Authority, and the Developer (the “Agreement”).

1.06. On December 2, 2025, following a duly noticed public hearing, the Board of Commissioners approved a property tax abatement (the “Abatement”) on the Property to complete the Project. The Abatement is for a term of up to twenty (20) years, beginning the year following the year the TIF District is decertified, in an amount not to exceed \$3,000,000 (consisting of principal and interest) and is evidenced by the City’s Taxable Abatement Revenue Note (Oppidan Workforce Housing Project) (the “Abatement Note”), which is subject to the terms and conditions set forth in the Agreement.

1.07. On November 24, 2025, the Authority held a duly noticed public hearing on the sale of the Property to the Developer. The Developer has requested that the Authority write down the purchase price of the Property in the amount of \$584,499 (the “Land Write Down”).

1.08. The Authority believes that the Project is in the best interests of the City and will help alleviate a housing shortage in the City.

Section 2. Agreement Approved.

2.01. The Authority hereby approves the Agreement substantially in accordance with the terms set forth in the form presented to the Board of Commissioners, together with any related documents necessary in connection therewith, including the TIF Note, the Abatement Note, and without limitation all documents, exhibits, certifications or consents referenced in or attached to the Agreement (collectively, the “Development Documents”) and hereby authorizes the President and the Executive Director to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Development Documents on behalf of the Authority, and to carry out, on behalf of the Authority, the Authority’s obligations thereunder when all conditions precedent thereto have been satisfied.

2.02. The approval hereby given to the Development Documents includes approval of such additional details therein as may be necessary and appropriate and such modifications thereof, deletions therefrom and additions thereto as may be necessary and appropriate and approved by legal counsel to the Authority and by the officers authorized herein to execute said documents prior to their execution; and said officers are hereby authorized to approve said changes on behalf of the Authority. The execution of any instrument by the appropriate officers of the Authority herein authorized shall be conclusive evidence of the approval of such document in accordance with the terms hereof. This Resolution shall not constitute an offer and the Development Documents shall not be effective until the date of execution thereof as provided herein. In the event of absence or disability of the officers, any of the documents authorized by this Resolution to be executed may be executed without further act or authorization of the Board of Commissioners by any duly designated acting official, or by such other officer or officers of the Board of Commissioners as, in the opinion of the City Attorney, may act in their behalf.

2.03. Upon execution and delivery of the Development Documents, the officers and employees of the Authority are hereby authorized and directed to take or cause to be taken such actions as may be necessary on behalf of the Authority to implement the Development Documents.

Section 3. Effective Date. This resolution shall be effective upon approval.

Adopted on February __, 2025 by the Board of Commissioners of the Grand Rapids Economic Development Authority.

President

ATTEST:

Secretary

