

**CITY OF GRAND RAPIDS, MINNESOTA**

**RESOLUTION NO. \_\_\_\_\_**

**RESOLUTION CALLING A PUBLIC HEARING ON A  
PROPERTY TAX ABATEMENT FOR CERTAIN PROPERTY IN  
THE CITY OF GRAND RAPIDS, MINNESOTA, AND GRANTING  
CERTAIN BUSINESS SUBSIDIES TO ASV HOLDINGS, INC., OR  
ITS AFFILIATES**

WHEREAS, ASV Holdings, Inc., a Delaware corporation, or an affiliate thereof (the “Developer”), has proposed to acquire, improve, construct and equip an approximately 32,000 square foot expansion to their compact equipment production facility to be used for manufacturing including a new paint system (the “Project”) on real property (the “Property”) located in the City of Grand Rapids, Minnesota (the “City”); and

WHEREAS, the City is considering granting a property tax abatement of all or a portion of the City’s share of property taxes generated by improvements on the Property in a maximum amount of \$360,683 (consisting of principal in the amount of \$234,000 and interest at a rate of 4.75% per annum) in order to facilitate the Project (the “Abatement”), all pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815 (the “Abatement Act”); and

WHEREAS, in order to assist with the costs of the Project, the City applied for and received a grant in the amount \$350,000 (the “IRRR Grant”) from the Minnesota Department of Iron Range Resources and Rehabilitation (the “IRRR”); and

WHEREAS, the IRRR and the City entered into a State of Minnesota Grant Contract Agreement effective as of April 19, 2022 (the “IRRR Grant Agreement”) and the City intends to provide proceeds of the IRRR Grant to the Developer for eligible costs of the Project as described in the IRRR Grant Agreement; and

WHEREAS, the Abatement and the IRRR Grant provided to the Developer by the City to help finance the Project constitutes a business subsidy (together, the “Business Subsidy”) under Minnesota Statutes, Sections 116J.993 to 116J.995 (the “Business Subsidy Act”); and

WHEREAS, before the City may grant the Abatement under the Abatement Act or provide the Business Subsidy under the Business Subsidy Act, the City must conduct a duly noticed public hearing thereon; and

NOW, THEREFORE, BE IT RESOLVED by the City Council (the “City Council”) of the City of Grand Rapids, Minnesota that:

1. The City Administrator is authorized and directed to publish a notice in a newspaper of general circulation in the City setting a public hearing before the City Council on Monday, February 13, 2023, at or after 5:30 p.m. at City Hall on the Abatement and the Business Subsidy. The notice, attached as EXHIBIT A, shall be published in the newspaper at least ten (10) but not more than thirty (30) days prior to the public hearing, and shall be in substantially the form attached hereto.

2. The City Administrator is authorized and directed to take all other actions necessary to bring the Abatement and the Business Subsidy before the City Council at the time of the public hearing.

Approved by the City Council of the City of Grand Rapids, Minnesota this 23<sup>rd</sup> day of January, 2023.

ATTEST:

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Mayor

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City Clerk

## **EXHIBIT A**

### **NOTICE OF PUBLIC HEARING**

#### **TAX ABATEMENT AND BUSINESS SUBSIDY CITY OF GRAND RAPIDS, MINNESOTA**

NOTICE IS HEREBY GIVEN that the City Council of the City of Grand Rapids, Minnesota (the “City”) will meet at or after 5:30 p.m. on Monday, February 13, 2023, in the City Council Chambers of City Hall, located at 420 North Pokegama Avenue in the City, to conduct a public hearing to consider granting a property tax abatement under Minnesota Statutes, Sections 469.1812 through 469.1815, as amended (the “Abatement Act”), for all or a portion of the City’s share of property taxes for certain property located in the City (the “Property”) to be developed by ASV Holdings, Inc., a Delaware corporation, or an affiliate thereof or entity related thereto (the “Developer”). The Developer proposes to acquire, construct and equip an approximately 32,000 square foot expansion to its compact equipment production facility located on the Property to be used for manufacturing including a new paint system (the “Project”). In addition, the City intends to provide a grant to the Developer for the Project in the amount of \$350,000 (the “Grant”) from funds derived from a grant from the Minnesota Department of Iron Range Resources and Rehabilitation. The proposed abatement and the Grant constitute a business subsidy under Minnesota Statutes, Sections 116J.993 to 116J.995, as amended (the “Business Subsidy Act”).

The Property is located at 840 Lily Lane the City and is legally described as the following property identification numbers: 91-568-0220, 91-569-0110, 91-027-2401, 91-027-2105, 91-568-0210, 91-566-0305, 91-566-0310, 91-566-0315, 91-566-0320, 91-566-0325 and 91-566-0330. Following the public hearing, the City Council will consider a resolution granting an abatement of all or a portion of the City’s share of property taxes on the Property for a period of up to twenty years. The City estimates that the total amount of the abatements will be approximately \$360,683 (consisting of principal in the amount of \$234,000 and interest at a rate of 4.75% per annum).

A summary of the terms of the proposed business subsidy to be provided to the Developer to assist in developing the Project is available for inspection at City Hall during regular business hours.

Any person with a residence in the City or who is the owner of taxable property in the City may file a written complaint with the City if the City fails to comply with the Business Subsidy Act. No action may be filed against the City for the failure to comply unless a written complaint is filed. Any person wishing to express an opinion on the matters to be considered at the public hearing will be heard orally or in writing.

Dated: [Date of Publication]

**BY ORDER OF THE CITY COUNCIL OF THE  
CITY OF GRAND RAPIDS, MINNESOTA**

/s/ Tom Pagel

City Administrator  
City of Grand Rapids, Minnesota