

CITY OF GRAND RAPIDS, MINNESOTA

RESOLUTION NO. _____

**RESOLUTION APPROVING A PURCHASE AGREEMENT
WITH THE GRAND RAPIDS ECONOMIC DEVELOPMENT
AUTHORITY RELATED TO THE L & M SUPPLY PROJECT**

BE IT RESOLVED by the City Council (the “City Council”) of the City of Grand Rapids, Minnesota (the “City”) as follows:

Section 1. Recitals.

1.01. The City, together with Itasca County, Minnesota (the “County”), pursuant to a certain Airport Joint Powers Cooperative Agreement, dated October 12, 2023, between the City and the County (the “Joint Powers Agreement”), jointly own certain property legally described in Exhibit A attached hereto (the “Property”), which the Grand Rapids Economic Development Authority (the “Authority”), a body corporate and politic organized and existing under the laws of the State of Minnesota, has proposed to purchase from the City and sell to SE 7th Ave Distribution LLC, a Minnesota limited liability company, or an affiliate thereof or an entity related thereto (the “Developer”).

1.02. The Developer intends to construct, improve and equip on the Property and on adjacent property an approximately 210,000 square foot warehouse and distribution center (the “Project”) to be owned by the Developer and operated by L & M Supply, Inc., a Minnesota corporation (the “Tenant”), in connection with the expansion of the Tenant’s existing business.

1.03. The City is now presented with a Purchase Agreement by and between the City and Authority related to the Property (the “Purchase Agreement”).

1.04. The Authority and the City have followed applicable statutory provisions, including but not limited to, Minnesota Statutes, Section 471.64.

Section 2. Purchase Agreement Approved.

2.01. The City hereby approves the Purchase Agreement substantially in accordance with the terms set forth in the form presented to the City Council, together with any related documents necessary in connection therewith, including the quit claim deed and any documents required by the title company relating to the conveyance of the Property, and without limitation all documents, exhibits, certifications or consents referenced in or attached to the Purchase Agreement (collectively, the “Purchase Documents”) and hereby authorizes the Mayor and the City Administrator to negotiate the final terms thereof and, in their discretion and at such time as they may deem appropriate, to execute the Purchase Documents on behalf of the City, and to carry out, on behalf of the City, the City’s obligations thereunder when all conditions precedent thereto have been satisfied. Notwithstanding the foregoing, the delivery of the quit claim deed to the Authority shall be contingent upon the delivery of a quit claim deed from the County conveying its interest in the Property to the City.

2.02. The approval hereby given to the Purchase 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 City 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 City. The execution of any instrument by the appropriate officers of the City 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 Purchase 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 City Council by any duly designated acting official, or by such other officer or officers of the City Council as, in the opinion of the City Attorney, may act in their behalf.

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

2.04. Pursuant to Minnesota Statutes, Section 462.356, subd. 2, the Council, by at least a two-thirds vote of all of its members, finds that the sale of the Property to the Authority and then to the Developer and the improvements to be constructed thereon do not impact and do not have a relationship to the City's comprehensive plan; the improvements are consistent with the City's comprehensive plan; therefore, the Council dispenses with the requirements of Minnesota Statutes, Section 462.356, subd. 2 relating to planning commission review of the sale of the Property to the Authority and the Developer.

Adopted on March 25, 2024 by the City Council of the City of Grand Rapids, Minnesota.

Mayor

City Clerk

EXHIBIT A

LEGAL DESCRIPTION OF PROPERTY

The property located in the City of Grand Rapids, Itasca County, Minnesota legally described as:

That part of the East 330.00 feet of the South Half of the Southeast Quarter of the Northeast Quarter of section 33, Township 55 North, Range 25 West, Itasca County, Minnesota, lying southwesterly of the following described line:

Commencing at the southeast corner of said Southeast Quarter of the Northeast Quarter; thence on an assigned bearing of North 01 degrees 20 minutes 08 seconds West, along the east line of said Southeast Quarter of the Northeast Quarter, a distance of 151.91 feet to the point of beginning of the line herein described; thence North 14 degrees 18 minutes 12 seconds West 523.41 feet to the north line of the South Half of the Southeast Quarter of the Northeast Quarter and said line terminating thereat.