

GRAND RAPIDS ECONOMIC DEVELOPMENT AUTHORITY

RESOLUTION NO. _____

APPROVING LOAN AGREEMENT WITH THE DEPARTMENT OF EMPLOYMENT AND ECONOMIC DEVELOPMENT OF THE STATE OF MINNESOTA; AND PROVIDING FOR THE ISSUANCE OF A REVENUE BOND

WHEREAS, the Grand Rapids Economic Development Authority (the “Authority”) has the powers set forth in Minnesota Statutes, Section 469.090 through 469.1082, as amended (the “EDA Act”), and Minnesota Statutes, Sections 469.001 through 469.047, as amended (the “HRA Act”), including but not limited to the power to borrow money from the state government in accordance with Section 469.011 of the HRA Act and to issue revenue bonds pursuant to Section 469.103 of the EDA Act; and

WHEREAS, the Authority has applied for a loan from the Department of Employment and Economic Development, a department of the State of Minnesota (“DEED”), to finance costs of the demolition of an existing structure on property located at 900 NW Fourth Street (MN Hwy 2), Grand Rapids, Minnesota, and owned by the Authority (the “Project”); and

WHEREAS, pursuant to Minnesota Statutes, Sections 116J.5761 through 116J.5765, as amended (the “DEED Act”), DEED is authorized to provide loans for demolition costs; and

WHEREAS, DEED has committed to make a loan to the Authority in the maximum principal amount of \$420,000 (the “Loan”) from DEED’s Demolition Loan Program, to be disbursed and repaid in accordance with the terms of a Loan Agreement for Loan No. RDLP-26-0001-o-FY26 Hwy. 2 West Redevelopment Project, effective as of March 13, 2026 or the date of execution (the “Loan Agreement”), to be executed by the Authority and DEED, in substantially the form now on file with the Board of Commissioners of the Authority (the “Board”); and

WHEREAS, order to provide security for the repayment of the Loan, DEED has required that the Authority issue a revenue bond to DEED secured by the general obligation pledge of the City of Grand Rapids, Minnesota (the “City”); and

WHEREAS, to meet the requirements of DEED, the City has proposed to issue a general obligation bond payable from tax abatement revenues; and

WHEREAS, on May 26, 2026, the City Council of the City will conduct a public hearing on a property tax abatement in the principal amount of \$420,000 (the “Abatement”) in accordance with Minnesota Statutes, Chapter 475, as amended, and Sections 469.1812 through 469.1815, as amended (collectively, the “Abatement Act”), and will consider approving the Abatement; and

WHEREAS, on May 26, 2026, the City Council will also consider providing preliminary approval to the issuance of and delivery of the City’s Taxable General Obligation Tax Abatement Bond, Series 2026A (the “City Bond”), in the proposed aggregate principal amount of \$420,000, to help finance the Project and provide security for the Loan; and

WHEREAS, the Authority proposes to issue its Taxable Revenue Bond, Series 2026A (the “Authority Bond”), in the proposed aggregate principal amount of \$420,000, pursuant to Section 469.103 of the EDA Act, which will be purchased by DEED, and paid primarily from the pledge of Abatements from the City Bond; and

WHEREAS, pursuant to Section 469.103, subdivision 3 of the EDA Act, the Authority may sell the Bonds in the manner and for the price that the Authority determines to be in the best interests of the Authority; and

WHEREAS, the Authority finds that entering into the Loan Agreement, obtaining the Loan, and issuing the Authority Bond will serve the best interest of the City because it will further certain public purposes, including the redevelopment or renewal of blighted areas, preserving and increasing the tax base, providing access to services for residents of the political subdivision, and providing employment opportunities, including construction jobs; and

NOW, THEREFORE, BE IT RESOLVED by the Board of Commissioners of the Grand Rapids Economic Development Authority as follows:

1. The Authority hereby approves the Loan Agreement substantially in accordance with the terms set forth in the form presented to the Board, together with any related documents necessary in connection therewith, and any documents required by DEED including without limitation all documents, exhibits, certifications or consents referenced in or attached to the Loan 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. 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 by any duly designated acting official, or by such other officer or officers of the Board as, in the opinion of the Authority’s attorney, may act in their behalf.

3. 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.

4. The Board finds it necessary and expedient to the sound financial management of the City to issue the Authority Bond pursuant to Section 469.103 of the EDA Act, which, subject to approval by the City Council, will be payable from the pledged Abatement revenues from the City and secured by the City’s general obligation pledge, as security for the Loan to finance the Project. The Board hereby requests that the City Council approve the use of tax abatements for the Project on May 26, 2026.

5. The Board will meet on June 11, 2026, or on another date deemed appropriate by staff of the Authority, to consider providing final approval for the issuance of the Authority Bond and to set forth the covenants and terms of the Authority Bond.

Approved by the Board of Commissioners of the Grand Rapids Economic Development Authority
this 19^h day of May, 2026.

President

ATTEST:

Secretary