



## REQUEST FOR GRAND RAPIDS EDA ACTION

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**AGENDA DATE:** September 22, 2022

**STATEMENT OF ISSUE:** Consider approving a subordination agreement with Deerwood Bank for a Commercial Building Improvement Loan provided to Bob and Lory Warren dba Rapids Printing for improvements to 415 S. Pokegama Avenue.

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

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### **BACKGROUND:**

On September 23, 2021, GREDA approved a Commercial Building Improvement Loan of \$40,000 to Bob and Lory Warren dba Rapids Printing for improvements to their recently purchased building at 415 S. Pokegama Avenue, for the relocation of their business.

As you will recall, the CBIL can provide up to \$40,000 per project or 75% of the total project cost, whichever is less. The CBIL program provides these funds at a 2% interest rate, amortized over a 20-year periods with a balloon payment at the end of year five.

As was the case with the Rapids Printing loan, GREDA is currently funding CBIL program loans through a Blandin Foundation Program Related Investment non-recourse note and, thus the principal and interest collected from these loans are paid to the Blandin Foundation.

Rapids Printing is financing a second phase of their improvements with Deerwood Bank who also financed the first phase. The Deerwood Loan is in a first position, superior the GREDA loan. The second phase of the improvements involves the development of a parking lot on the north side of the commercial building with access on to Hwy. 169. Deerwood Bank and the Warrens have requested that the combined Deerwood debt remain in a first position.

The Loan Review Committee will review this request and provide a recommendation.

### **RECOMMENDATION:**

**REQUIRED ACTION:** Consider approval of a subordination agreement with Deerwood Bank for a Commercial Building Improvement Loan provided to Bob and Lory Warren dba Rapids Printing for improvements to 415 S. Pokegama Avenue.