



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: May 23, 2024

STATEMENT OF ISSUE: Consider approval of a resolution forgiving certain loans and approving the purchase by GREDA of certain property located in the City of Grand Rapids and a corresponding purchase agreement.

PREPARED BY: Rob Mattei, Executive Director

BACKGROUND:

GREDA previously provided two loans to the Itasca County Farm Service Association (Farm Co-op). One of the loans was a Commercial Building Improvement Loan (CBIL) of \$35,000 in December of 2016 and the other was an Emergency Working Capital Loan (EWCL) of \$15,000 provided during the COVID 19 pandemic in April of 2020.

The Farm Co-op filed for bankruptcy in August of 2021, with unsatisfied debts of \$24,591 for the CBIL and \$15,000 for the EWCL. Through the bankruptcy, Deerwood Bank, the senior debt holder acquired the Farm Co-op property.

Deerwood would like to sell the property to GREDA under the attached Purchase Agreement for the purchase price of \$1.00. This purchase by GREDA would ensure that this property is redeveloped in a manner that is aligned with GREDA's goals to improve the vitality of the Hwy 2 West commercial corridor by addressing the existence of contaminations found through an environmental study, removing blight and encouraging private investment.

The attached resolution forgives the loans and approves the purchase from Deerwood Bank.

RECOMMENDATION:

REQUIRED ACTION: Pass a motion adopting a resolution forgiving certain loans and approving the purchase by GREDA of certain property located in the City of Grand Rapids and a corresponding purchase agreement.