



REQUEST FOR GRAND RAPIDS EDA ACTION

AGENDA DATE: February 10, 2022

STATEMENT OF ISSUE: Consider approving repayment of loans with Minnesota Iron Range Resources and Rehabilitation (IRRR) and Itasca Economic Development Corporation upon receiving proceeds from the DNR purchase of the GREDA hangar

PREPARED BY: Rob Mattei, GREDA Executive Director

BACKGROUND:

As discussed in the previous agenda item, GREDA purchased the hangar in November of 2016 for a price of \$580,000. GREDA financed the purchase with loans from IRRR and IEDC as well as a \$203,000 cash contribution from the City Neighborhood and Economic Development Fund.

Acquisition Financing –

IRRR Loan to GREDA (1% interest, 20-year term with first payment in year 3)	\$293,000
IEDC Loan to GREDA (1% interest, 10-year term)	\$90,000
City Neighborhood and Economic Development Fund	\$203,000
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	\$586,000

Current Loan Balances –

IRRR Loan to GREDA (1% interest, 20-year term with first payment in year 3)	\$259,786
IEDC Loan to GREDA (1% interest, 10-year term)	\$46,085
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	\$305,871

Upon receipt of the \$600,000 sale price from the DNR, staff is recommending full repayment of these loans from IRRR and IEDC. The additional proceeds will be directed into the GREDA Capital Projects Fund.

RECOMMENDATION:

Approve repayment of loans with Minnesota Iron Range Resources and Rehabilitation (IRRR) and Itasca Economic Development Corporation upon receiving proceeds from the DNR purchase of the GREDA hangar

REQUIRED ACTION:

Pass a motion approving repayment of loans with Minnesota Iron Range Resources and Rehabilitation (IRRR) and Itasca Economic Development Corporation upon receiving proceeds from the DNR purchase of the GREDA hangar.