



## REQUEST FOR COUNCIL ACTION

**AGENDA DATE:** April 22, 2024

**AGENDA ITEM:** Consider adopting a resolution forgiving a certain loan to Itasca County Farm Service Association

**PREPARED BY:** Rob Mattei, Director of Community Development

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### **BACKGROUND:**

In June of 2015, the City issued a \$32,000 loan to Itasca County Farm Service Association (ICFSA) for rehabilitation work to their building a 900 NW 4<sup>th</sup> St. The loan funds distributed came to the City from a MN DEED Small Cities Development Program grant for commercial and residential rehabilitation projects in certain areas of the City.

On August 13, 2021, ICFSA filed for bankruptcy and through that proceeding Deerwood Bank, the holder of a senior mortgage, obtained the property. The Grand Rapids EDA and Deerwood Bank are working together toward conveying the property to GREDA. GREDA has identified the Hwy 2 West corridor as an area of focus in their Work Plan and GREDA's redevelopment of this site would be part of an effort to stimulate improvement and investment in that area.

The intent of this resolution to forgive the City's loan is to clear this obligation from the title, contingent upon the transfer of the property to GREDA.

### **REQUESTED COUNCIL ACTION:**

Make a motion to adopt a resolution forgiving a certain loan to Itasca County Farm Service Association, contingent upon the conveyance to GREDA.