

ORDINANCE NO. 2516

**AN ORDINANCE
AMENDING THE MICRO-LOAN PROGRAM**

**VILLAGE OF RANTOUL
CHAMPAIGN COUNTY, ILLINOIS**

CERTIFICATE OF PUBLICATION

Published in pamphlet form this 14th day of March, 2017, by authority of the President and Board of Trustees of the Village of Rantoul, Champaign County, Illinois.



Village Clerk

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AN ORDINANCE
AMENDING THE MICRO-LOAN PROGRAM

WHEREAS, under and pursuant to Ordinance No. 2089, passed and approved on May 8, 2007, the President and Board of Trustees (the “Corporate Authorities”) of the Village of Rantoul, Champaign County, Illinois (the “Village”) established a Micro-Loan Program (the “Program”), which such Program was subsequently amended and restated under and pursuant to Ordinance No. 2488, passed and approved on July 12, 2016; and

WHEREAS, the Corporate Authorities of the Village now find it necessary and desirable to amend the Program and to establish new guidelines for the Program.

NOW, THEREFORE, BE IT ORDAINED BY THE PRESIDENT AND BOARD OF TRUSTEES OF THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS, as follows:

Section 1. Adoption of Amendment. The Program be and the same is hereby amended to provide as set forth in the attached provisions which are incorporated herein by this reference thereto.

Section 2. Effective Date. This Ordinance shall become effective immediately following its passage, approval and publication as required by law.

Section 3. Superseder and Repeal. Upon the effective date of this Ordinance, all ordinances or parts of ordinances in conflict with the provisions of this Ordinance are hereby superseded and repealed.

Section 4. Publication. The Village Clerk is hereby authorized and directed to cause this Ordinance to be published in pamphlet form.

This Ordinance is hereby passed, the “ayes” and “nays” being called, by the concurrence of a majority of the members of the Corporate Authorities then holding office on the date set forth below.

PASSED this 14th day of March, 2017.



Village Clerk

APPROVED this 14th day of March, 2017.



Village President



VILLAGE OF RANTOUL LOAN PROGRAM GUIDELINES
2017-2019

Intent: **To provide gap financing to new and existing businesses within Rantoul for the creation and retention of jobs.**

Staff Role: **All loan applications will be submitted to the Village Administrator or his/her designee. Staff will evaluate each application and provide an analysis to the micro loan committee for further consideration. See attached sheet for the application process.**

PROGRAM BOARD: The board shall consist of 7 members. They include; two (2) members having lending experience with a commercial lending institution; one (1) member having significant experience with retail or service commercial business; one (1) member having significant experience with an industrial business; one (1) at-large member; two (2) members from the municipality-The Mayor or his/her designee and the Village Administrator or his/her designee. The Mayor or his/her designee shall chair the board meetings. **The board is a recommendation body only. The group will recommend loans for approval by the Village Board of Trustees at the following regularly scheduled board meeting.**

WHERE: The program area will cover any commercial or industrial business located within a commercial or industrial zoning classification within the corporate limits of the Village of Rantoul.

INTEREST RATE: Interest rate shall be no less than 2% and no greater than 10% and may be adjusted from time to time by the loan committee.

Loan Terms: **Minimum loan shall be \$7,500 with a maximum loan of \$100,000.**

PROGRAM CRITERIA: Acquisition, construction, installation, renovation, repair or other improvements to real estate and buildings for commercial business. Machinery and equipment may be included along with furniture, fixtures, working capital and inventory. Existing debt refinancing is **NOT** eligible for funding.

COLLATERAL: Collateral is required. The amount required will be determined on a case by case basis by the program board.

Application Process:

An application will only be reviewed after receipt of all application materials listed below. The approval letter must be issued before loan proceeds can be disbursed.

1. Meet with Village Economic Development staff to review the scope of the project and receive a copy of the program application.
2. Submit completed application in its entirety in hard copy or digital version to the Village Economic Development Department. Items included in the application are:
 - a. Business Plan, including detailed sources and uses of all funds
 - b. Business financial statements, including 3 years of projections showing loan repayment capacity
 - c. Resume, Personal financial statement and most recent tax return for all principals
3. Once an application is received, the Loan Committee will review the application for compliance with the program. Following that review, they will either:
 - a. Approve the application as submitted. If approved by the Committee, an award letter and notice to proceed will be issued.
 - b. Issue a letter requesting more information be provided
 - c. Issue a letter of denial explaining the review committee's actions (applicant may revise the plan and resubmit)
4. If the project requires a building permit, applicants must receive that permit before work can begin.

Payment Process:

All loan documentation will be prepared by the Bank of Rantoul for the benefit of the Village. Funds will be disbursed upon written request of borrower. Depending on the use of funds, if real estate related, a title company may be used to ensure bills are paid and liens are waived.

Additional Notes

- Funds are awarded on a first-come, first-served basis until the total program budget is exhausted.
- The amount the program is able to approve for reimbursement will not always be equal to the maximum amount due to the availability of funds.
- This loan program is a use of Village funds and, as such, is subject to an open, public process. The Loan Committee meetings are public, as are Village Board meetings where the application may be discussed. Applicants should be aware that their personal and business information could be subject to FOIA requests.

Loan Committee Decision Criteria

BORROWER

- Willingness to repay: credit references and background experience
- Ability to repay: cash flow from other outside income

BUSINESS/USE OF FUNDS

- Community Benefit (blight reduction, increased EAV, increased sales tax base Etc.)
- Sustainability of business
- Creation of value within Rantoul

ADDITIONAL FACTORS

- Minority-owned business
- Benefit to Village growth and infill plans

Program Application

Applicant Information

Name Business Tax ID # or SSN

Street Address City State Zip

Phone Number Email

Business Location (if different)

Type and History of Business-

Amount of Loan Requested & Intended Use

Principals (include resumes of principals, co-signors & guarantors)

Number of Jobs Created or Retained _____

Description of Collateral

Other Committed Funding Sources

Business References, including phone numbers

Statement of Community Benefit (i.e. provide needed goods/services, increase traffic to a shopping area)

Applicant Disclosure Statement

I _____ (Applicant) assert that the preceding information is true and correct and that the loan funds will be used as stated by me in this Application.

Applicant (please print name) Date

Applicant Signature

Owner Disclosure Statement

(Required if Applicant is not the property owner of the parcel being improved)

I _____ (Owner) certify that I, as owner of the property at _____, give _____ (Applicant) authority to implement the described improvements at the property. I further acknowledge that the Village of Rantoul assumes no liability in the event of any dispute between the Owner and Applicant concerning any building improvement work undertaken by the Applicant.

Owner (please print name) Date

Owner Signature

Property Address