

ORDINANCE NO. 868

AN ORDINANCE ESTABLISHING THE CITY OF GRAYVILLE
REVOLVING LOAN AND GRANT PROGRAM

WHEREAS, the City of Grayville, White and Edwards Counties, Illinois serves as the Administrator of a Revolving Loan Fund (RLF), which was capitalized by the Illinois Department of Commerce and Economic Opportunity's (DCEO) Community Development and Assistance Program (CDAP), which was funded by the U. S. Department of Housing and Urban Development Block Grant Program;

AND WHEREAS, the City of Grayville Revolving Loan Fund was last capitalized prior to October 1, 1992, and is therefore considered dissolved by the Department of Commerce and Economic Opportunity;

AND WHEREAS, the Revolving Loan Funds held by the City of Grayville now may be expended in any manner deemed appropriate by the City;

AND WHEREAS, the Grayville City Council has determined that it would be in the best interests of the City, its businesses, and its residents to continue to make Revolving Loan Funds available to worthy applicants, to promote the goals and objectives of the DCEO Revolving Loan Program, which included the following:

1. Stimulate economic growth in the City of Grayville by assisting with the retention and growth of the existing industrial and commercial base, providing needed equity to new start-up businesses, encouraging the development of minority and female owned businesses, and providing an incentive for established businesses to re-locate to Grayville.
2. Assist new or existing Grayville businesses to create and retain jobs.
3. Increase the City of Grayville property tax and sales tax base.
4. Provide businesses within the City of Grayville the opportunity to expand.
5. Encourage and leverage loans to businesses by area private financial institutions.

AND WHEREAS, without taking on the role established for community and area lending institutions, the City of Grayville recognizes the need to make funds available to businesses within the community that do not otherwise qualify for TIF #1 or TIF #2 funding, due to business location or the type of construction, renovation, improvements, development, or purchases that would be

made with the requested Revolving Loan Funding;

AND WHEREAS, the Grayville City Council has determined that the new Revolving Loan Fund Program should provide for low interest loans, no interest loans and, in extra ordinary cases, outright grants to Revolving Loan Fund applicants;

NOW THEREFORE, BE IT ORDAINED by the Mayor and City Council of the City of Grayville, White and Edwards Counties, as follows:

1. The City of Grayville Revolving Loan Fund (RLF) shall be established, effective as of February 1, 2019, and shall be initially funded by the money held in the former Illinois DCEO CDAP Revolving Loan Fund Account. It shall be managed in a separate account maintained for RLF receipts and disbursements.

2. RLF applicants shall submit their requests for funding to the Grayville City Clerk, with final approval or denial of the request to be made by the Grayville City Council, at a regularly scheduled or special City Council meeting, as the case may be.

3. RLF funds will be made available for 0-3% interest loans, payable in a manner as determined by the City Council, or when deemed appropriate, by way of a funded grant.

4. RLF loans shall not replace conventional bank financing for applicants. The amounts loaned or granted will, as a general rule, be similar in nature to the structure employed by the City of Grayville in TIF #1 and TIF #2 Developer's Agreements and grants.

5. The general criteria followed for RLF loans and grants shall be as follows:

a. Stimulate economic growth in the City of Grayville by assisting with the retention and growth of the existing industrial and commercial base, providing needed equity to new start-up businesses, encouraging the development of minority and female owned businesses, and providing an incentive for established businesses to re-locate to Grayville.

b. Assist new or existing Grayville businesses to create and retain jobs.

c. Increase the City of Grayville property tax and sales tax base.

d. Provide businesses within the City of Grayville the opportunity to expand.

e. Encourage and leverage loans to businesses by area private financial institutions

6. Loans made with RLF funds may be secured by mortgages on real estate, and/or security interests in business personal property, when deemed appropriate by the City Council

7. RLF applicants shall in all cases where loans are made, execute appropriate promissory notes, setting forth the terms and conditions under which the loan funds shall be repaid.

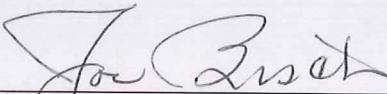
8. The RLF loan application form adopted pursuant to this ordinance, as well as the promissory note/loan agreement executed by the applicant, shall specifically disclose that the funds being loaned or granted may subject the applicant/borrower to the requirements of the Illinois Prevailing Wage Act, with respect to construction projects financed with Revolving Loan Funds.

9. Revolving Loan Funds approved by the City Council for disbursement in the form of a grant, shall be paid to the applicant in installments up to the maximum grant amount, with payments being made upon receipt from applicant of invoices from contractors evidencing actual charges assessed for work on projects to be funded, in part, by the RLF grant.

This ordinance shall be in full force and effect immediately upon its passage and approval as required by law, with the effective date of certain RLF funding to be retroactive to February 1, 2019.

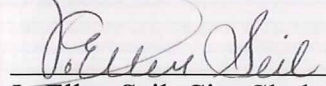
Passed: March 11, 2019

Approved: March 11, 2019



Joe Bisch, Mayor

ATTEST:



Jo Ellen Seil, City Clerk

VOTE

YEAS:

Joe Busto
David Jordan
Andy Brock

NAYS:

Recorded in the records of said municipality on the 12th day of March, 2019.

Attest:

Jo Ellen Seil

Jo Ellen Seil
City Clerk
City of Grayville
White and Edwards Counties, Illinois