
REVOLVING FUND GOALS AND OBJECTIVES

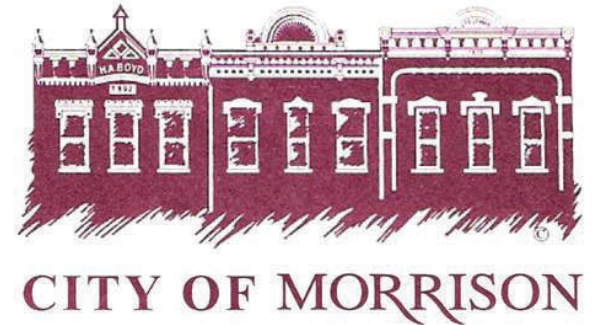
- **Stimulate economic growth in the community by assisting with the retention and growth of the existing industrial and commercial base, providing needed capital to new start-up businesses, encouraging the development of minority and female owned businesses.**
 - **Assist new or existing businesses to create and retain jobs.**
 - **Ensure that jobs created or retained by business applicants benefit a minimum of 51 percent low-to-moderate (LMI) income persons in the area.**
 - **Increase the property tax and sales tax base.**
 - **Provide businesses with the opportunity to expand.**
 - **Encourage and leverage loans and investments to businesses by area private financial institutions.**
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HOW TO APPLY:

The Revolving Fund Program is a major component of the City of Morrison's economic development incentives package and is made available through the Department of Commerce and Economic Opportunity's Community Development Assistance Program. The Fund was established to provide financial assistance, through low-interest loans, to new or expanding businesses located within 1 1/2 miles of the corporate limits of the City of Morrison, Illinois and to secure public benefit for the residents of the City of Morrison by developing a stronger economic base and expanded job opportunities. Other financial commitments must be in place at the time of application. No loan shall be made from the program where there is reasonable doubt as to the ability of the borrower to repay the loan.

Use of the funds is governed by a variety of rules and regulations mandated by the State and Federal agencies that provide original grants to Morrison, Illinois as well as policies adopted by the City of Morrison, Illinois. All borrowers must comply with these regulations.

Please take a moment to review this brochure and see if the Revolving Fund will benefit your business. If you would like more information, please contact the City of Morrison Administrator at (815) 772-7657.



Community Development Assistance Program

REVOLVING FUND

200 W. Main Street
Morrison, IL 61270
(815) 772-7657
www.morrisonil.org

REVOLVING FUND (RF) PROGRAM

ELIGIBLE USES OF FUNDS FOR FINANCIAL ASSISTANCE PROJECTS

- Site development / infrastructure extension costs
- Construction of new facility or additions
- Renovation of existing facilities
- Leasehold improvements
- Purchase of new or used machinery or equipment
- Working capital
- Public infrastructure improvement projects which directly result in creation or retention of jobs by a specifically identified business.

INELIGIBLE USES OF FUNDS

- Projects of a speculative nature.
- Forgivable financial assistance projects.
- Refinancing existing, private debt.

LOAN TERMS

- The minimum RF Program loan amount shall be \$30,000.
- RF loans shall be made on a matching basis. The match may be in the form of owner equity, bank loan or supplier financing. All matching funds shall be financial contributions.
- Funds spent prior to approval of the RF application will not count as matching funds.
- The interest rate on loans made shall be 4 points below the prime rate, however the rate shall not be lower than 3%.
- The loan's interest rate shall be set on the date the loan is approved by the City of Morrison.
- The length of the loan is negotiable.

REQUIREMENTS FOR ASSISTANCE

At least one of the following requirements shall be met in order to justify RF assistance:

- CDAP funds are needed to “fill the gap” between the estimated project cost and what lenders are able and willing to lend.
- The banks determine there is insufficient collateral without CDAP RF participation.
- The business is considering multi-state location options and CDAP funds are needed to equalize cost variation between sites.

JOB CREATION/RETENTION REQUIREMENTS

- For every \$15,000 of revolving funds provided, one full-time job should be created or retained within 12 months after the money is dispersed from the fund.
- At least 51% of all jobs created/retained shall benefit persons from low-moderate income households based upon Federal HUD (Section 8) Income Guidelines.