

Revolving Fund Goals and Objectives

Stimulate economic growth in the Village of Hampshire by assisting with the retention and growth of the existing industrial and commercial base, providing needed financial assistance to new start-up businesses, encouraging the development of minority and female owned businesses.

Assist new or existing qualifying businesses to create and retain jobs.

Ensure that jobs created or retained by business applicants benefit a minimum of 51 percent low-to-moderate income persons in the area.

Increase the Village of Hampshire's property tax and sales tax base.

Provide businesses with the opportunity to expand.

Encourage and leverage financial assistance to businesses by area private financial institutions.

Revolving Fund Strategy

Eligible uses of funds.

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.

For every \$15,000 of revolving funds provided, one full time equivalent (FTE) job should be created or retained. (FTE jobs are positions consisting of a minimum of 1,950 hours worked a year).

Projects of a speculative nature are ineligible for funding.

The geographic area served by the fund will be within the corporate boundaries of the Village of Hampshire, unless granted an exception within the planning jurisdiction of the Village of Hampshire based on a review of the business plan and further provided a pre-annexation agreement is submitted and accepted by the Village Board.

The funds will be targeted to assist existing industrial and commercial base, start-up businesses, female and minority owned firms and established businesses on a first come, first served basis as the Village of Hampshire expects to receive more applicants than available annual funding will cover. Applications that demonstrate the greatest potential for job creation and meeting the goals and objectives of the fund will be given the highest priority.

Applications will be generated by:

Sending RF information to the Village's existing businesses.

Including RF information in the Village's marketing package.

Providing RF information to area economic development commissions and the Chamber of Commerce to include in their area marketing information

Staff presentation at associations or business groups upon request.

Publicizing approved loan projects by sending news releases to area media and holding news conferences, ribbon cuttings and ground breakings to encourage media coverage.

Providing area lending institutions with information about the RF and asking them to inform potential borrowers of fund availability.

Revolving Fund Management Plan

The Revolving Fund Committee shall consist of the up to five community-area volunteers. The committee will meet with the applicant, meet with the representative of the participating lending institution, visit the site if necessary, negotiate terms, length, security for financial assistance and ensure compliance with the RF goals and objectives. A recommendation will be prepared for the Village Board's review for approval or denial which will include a description of the project, project costs, source of funds, security required, special conditions, and reasons for approval or denial. All other application information is kept confidential. The Village Board will formally approve or deny the application.

The financial assistance agreements, including commitment agreements, liens, title policies, security recordings, transfer tax declarations, amortization schedules and security releases, shall be obtained and completed by the Village Attorney. The Village Administrator or other designee of the President shall monitor repayments of the financial assistance agreements, job creation and/or retention reports required to be provided semi-annually until the commitment is met, monitor other special conditions required by the financial assistance agreement and submit semi-annual reports on the status of the RF to the Department of Commerce and Economic Opportunity.

Delinquent financial obligation: When an RF payment becomes 10 days past due, the Village Administrator or other designee of the President will place a telephone call to the borrower and request payment. At 30 days past due the Village will send a formal letter requesting payment. Should the payment become 45 days past due the matter will be turned over to the attorney to pursue. All legal rights will be exercised by the Village to reclaim funds. Legal counsel will be consulted during foreclosure and liquidation proceedings if events warrant.

No more than 10 percent of the annual revenue to the RF will be used for administration of the RF fund. Administrative expenses will be documented via receipts, bills, invoices, etc.

Assistance provided from the RF will result in at least 51 percent benefit to low-to-moderate income persons and these benefits will be documented by utilizing Job Training Partnership Act (JTPA) service providers, Illinois Employment and Training Centers or the employee certification forms found in the RF handbook.

The Village of Hampshire agrees to report semi-annually on the status of the RF to the Department of Commerce and Economic Opportunity.

Any changes to the recapture strategy will be submitted to the Department of Commerce and Economic Opportunity for approval.

The grantee shall agree to pursue legal remedy to recover delinquent loans. Legal action shall include that authorized by federal and state law, including but not limited to, efforts to collect and pursue the interests of the RLF through bankruptcy court.

A minimum leverage ratio of \$1 non-CDAP funds to \$1 CDAP RF funds must be obtained for each project. RF funds may not comprise more than 50% of the financial for any project.

The grantee shall assure that environmental reviews will be completed for each project funded, as well as prevailing wages paid, if applicable.