



**AGENDA FOR STAND-UP MEETINGS OF
THE COMMITTEES OF THE McLEAN COUNTY BOARD
TUESDAY, OCTOBER 20, 2020
ROOM 404 OF THE GOVERNMENT CENTER BUILDING
115 EAST WASHINGTON STREET, BLOOMINGTON, ILLINOIS
(AND VIA REMOTE ATTENDANCE)**

A. EXECUTIVE COMMITTEE

(4:45 p.m.)

1. Items to be Presented for Action-

- A. Request approval of amendment to the McLean County Targeted Development Loan Program in response to COVID-19 impact.

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OFFICE OF THE ADMINISTRATOR
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115 E. Washington, Room 401
P.O. Box 2400
Bloomington, Illinois 61702-2400

To: Honorable Executive Committee Chairman John D. McIntyre and Members, Executive Committee

From: Camille Rodriguez, County Administrator

Date: October 20, 2020

Re: the McLean County Targeted Development Loan Program, Amendment to add Zero Percent, Forgivable Financing Option

Historically, the McLean County Targeted Development Loan Program has provided low interest financing for real estate acquisition and development; machinery and equipment; and infrastructure development for Targeted Industries located in or seeking relocation to McLean County.

The establishment of new industries and the expansion of existing “Growth” industries within McLean County is a principle objective of the McLean County Development Loan Program. Funds dispersed through the McLean County Targeted Development Loan Program utilize McLean County General Corporate Funding which originated as a Community Development Revolving Loan Program.

The Bloomington -Normal Area Economic Development Council (BNEDC) is the administrator of the McLean County Targeted Loan Program, and thus all applications are packaged, prepared, and managed by the BNEDC.

During the pandemic, McLean County Government took action to amend the existing program, directing the Community Development Corporation (CDC), a subsidiary of the Bloomington Normal Economic Development Council (BNEDC), to implement these amendments to the existing program:

Micro Bridge Loan

\$5000 Loan for established businesses in the process of receiving additional funding. The Bridge Loan is a 2-year loan with a 1% interest rate and deferred payments until January 2021.

Recovery Loan

A 20% gap loan to supplement a traditional loan. The Recovery Loan lasts the life of the financial institution's loan with an interest rate of 1% and deferred payments until January of 2021.

To date, the CDC Board approved one \$5000 Recovery Loan, funded by a private donor. As of today, the EDC has not received any new applications, but one business is interested. The EDC and County Administration asserts that the number of applications is a direct reflection of federal forgivable loan programs and state grant programs.

During the September 2020 Finance Committee Meeting, Members of the Finance Committee requested that the BNEDC generate ideas that would convert the current loan opportunities into grant programs, specifically to assist McLean County small employers impacted by COVID-19. In the weeks following that meeting, Finance Committee members shared recommendations with the EDC; those recommendations included grant and forgivable loan programs. And, in the October 2020 Finance Committee meeting, members discussed making current loan programs forgivable to assist Mclean County small employers impacted by COVID-19.

A Special Finance Committee meeting was held on Wednesday, October 14, 2020. Action was taken to accept the following recommendations to amend the Micro Bridge Loan/Recovery Loan Programs to include the following options to support McLean County small businesses:

1. Convert Both Loan Programs to Forgivable Loans
Forgive expenses that assist in the adaptation and/or recovery from COVID restrictions:
 - Supplies—receipts of PPE, sanitation, extending outdoor dining
 - Technology—receipts of software to increase online sales
 - Real Estate Improvements—receipts for drive-up or walk-up windows
2. Increase Amount of \$5000 Loan
Increase the current loan amount from \$5000 to \$10,000
3. 0% Interest Rate for Both Loans
Change the current interest rate of 1% to 0% for both loans
4. Forgive Current Loans
Allow the current lendee's loan to be forgiving following the guidelines above.

County Administration recommends the recommendations as moved to the Executive Committee by the Finance Committee be approved.