

ORDINANCE NO. 2488

**AN ORDINANCE
AMENDING AND RESTATING A MICRO-LOAN PROGRAM
FOR THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS**

WHEREAS, under and pursuant to Section 6(a) of Article VII of the 1970 Constitution of the State of Illinois, the Village of Rantoul, Champaign County, Illinois (the “**Municipality**”) adopted Ordinance No. 1475, which was passed and approved on June 13, 1995, and entitled “AN ORDINANCE ESTABLISHING A DOWNTOWN MICRO-LOAN PROGRAM FOR THE VILLAGE OF RANTOUL, CHAMPAIGN COUNTY, ILLINOIS, AND RELATED MATTERS”, including as supplemented and amended by Ordinance NO. 2089, passed and approved on May 8, 2007 (the “**Authorizing Ordinance**”); and

WHEREAS, the President and Board of Trustees of the Municipality (the “**Corporate Authorities**”) now find and determine that it is necessary and desirable and will provide for and promote the public health, safety and welfare of the citizens of the Municipality to amend and restate the Authorizing Ordinance in connection with the Micro-Loan Program (the “**Program**”) to provide financing to commercial and industrial businesses within the Municipality (the “**Program Loans**”) in order to create a favorable climate for new and improved job opportunities for its citizens, to increase the tax base of the Municipality and to alleviate vacancies and conditions leading to deterioration and blight; and

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

Section 1. Declaration of Public Purpose. It is hereby found, determined and declared that the purpose of this Ordinance is to take steps designed to reduce the cost of and to provide financing for the acquisition, construction, installation, renovation, repair or other improvement of or to real estate, buildings and accessory structures for commercial and industrial business use, including any related machinery or equipment in connection therewith (the “**Project**”), in order to provide incentives to promote, attract and stimulate commerce within those areas of the Municipality zoned for any commercial or industrial use (the “**Program Area**”). It is further hereby found, determined and declared that such financing will provide for and promote the public health, safety, morals and welfare, maintain and foster the increase of commercial activity and economic development, preserve and increase the tax base of the Municipality and its environs and alleviate vacancies and conditions leading to deterioration and blight. The foregoing are hereby declared and determined to be public purposes and functions pertaining to the government and affairs of the Municipality.

Section 2. Establishment of Program.

(a) There is hereby established and implemented the Program for the purpose of providing Program Loans. The Program Loans shall be made to Borrowers only for approved Projects within the Program Area of the Municipality.

(b) The Program Loans shall be in the principal amount of not less than \$7,500 and not more than \$50,000, shall bear interest (either fixed or variable, adjusted annually) at such annual rate of interest as is equal to four percent (4%) below the "Prime Rate" of interest, as published under "Money Rates" from time to time by The Wall Street Journal (or other comparable publication), as of the date of approval of any Program Loan by the Program Board or as of any interest adjustment date, as the case may be, (provided, however, that such annual rate of interest on Program Loans shall not at any time be less than two percent (2%) nor more than ten percent (10%)), shall be payable in substantially equal monthly payments of principal and interest over a term of not to exceed seven (7) years or the useful life of the Project, whichever is less, and shall be secured by security determined to be adequate by the Program Board.

(c) The Program Loans shall be made only for Projects within the Program Area which conform with or will upon completion conform with all applicable requirements of the Municipality's codes and ordinances and all applicable federal and state laws.

(d) The Program Loans shall not be made to any Borrower who is delinquent in the payment of any money to the Village.

(e) The Program Loans may be made in conjunction with any other federal, state or local financing program or any loan or loans by any commercial lending institution, provided, however, that the Program Board may determine to reject any otherwise eligible loan application for a Program Loan because such Program Loan would be subordinate to the lien or liens of any such other loans and not provide adequate security for the Program Loan.

Section 3. The Program Board. For the purpose of providing general supervision and administration of the Program, there is hereby created and established a Program Board which shall consist of seven (7) members, five (5) of which shall be appointed by the President and approved by the Board of Trustees of the Municipality. Such appointments shall initially be for staggered terms of one (1) to three (3) years, with any subsequent appointment upon the expiration of such initial term to be for a period of three (3) years, and shall including the following:

(a) Two (2) members having ten (10) or more years of lending experience with a commercial lending institution;

(b) One (1) member having significant experience with a retail or service commercial business;

(c) One (1) member having significant experience with an industrial business;

(d) One (1) member from at large who is a resident of the Municipality; and

(e) Two (2) members who are the designees of the Municipality.

The remaining two members of the Program Board shall be the Village President and the Administrative Officer of the Municipality or the respective designee of either of them.

The Program Board shall have such duties and responsibilities as prescribed by this Ordinance and the related Administration Agreement for Program Loans. A simple majority of the members of the

Program Board shall constitute a quorum. The approval of any loan application in connection with a Program Loan by the Program Board, however, shall require the affirmative vote of not less than five (5) members, at least one of whom shall be one (1) of the two (2) appointed members having ten (10) or more years of lending experience with a commercial lending institution.

Section 4. Administration Agreement. For the purpose of administering the details of the Program and to provide for the processing of loan applications, the closing of Program Loans, the disbursement of Program Loan proceeds and the servicing of Program Loans, the form, terms and provisions of the Administration Agreement approved by Ordinance No. 2089, passed and approved on May 8, 2007 shall apply. From and after the effective date of this Ordinance, the Program Board and the other officials, agents and employees of the Municipality are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Administration Agreement (as amended from time to time).

Section 5. Authorization for Administrator. Any lending institution located in the Municipality is hereby authorized to serve in the capacity of the Administrator under and pursuant to the terms of the Administration Agreement.

Section 6. Severability. The provisions of this Ordinance are hereby declared to be separable, and if any section, phrase or provision shall for any reason be declared to be invalid, such declarations shall not affect the validity of the remainder of the sections, phrases or provisions.

Section 7. Conflicting Ordinances, Resolutions, Etc. All ordinances, resolutions, orders or parts thereof, in conflict with the provisions of this Ordinance are, to the extent of such conflict, hereby superseded.

Section 8. Effective Date. This Ordinance shall be in full force and effect upon its passage and approval as required by law.

This Ordinance is hereby passed, the "ayes" and "nays" being called, by the concurrence of a majority of the Corporate Authorities then holding office at a special meeting duly called for that purpose on the date set forth below.

PASSED this 12th day of July, 2016.



Village Clerk

APPROVED this 12th day of July, 2016.



Village President