



REVOLVING LOAN FUND POLICIES



WINNEBAGO COUNTY
INDUSTRIAL DEVELOPMENT BOARD

May, 2015

INDUSTRIAL DEVELOPMENT BOARD (IDB)

REVOLVING LOAN FUND POLICIES

NOTE: The County IDB administers two Revolving Loan Fund Programs; the first one is the IDB's original loan fund and the second a Community Development Block Grant - Economic Development Fund (CDBG-ED). The policies enumerated in this document are applicable only to the first loan fund - the IDB's original loan fund. Policies and application materials for the second loan program, the CDBG-ED fund, can be obtained from: Mr. Rob Kleman, Oshkosh Chamber of Commerce, ph: 920-303-2265, e-mail: rob@oshkoshchamber.com.

FUNDING POLICIES

1. The loan is limited to a governmental unit with tax levying authority that is undertaking an industrial development related project. {Industrial development is defined in Wisconsin Statutes 66.1103(2)(k) attached.}
2. Term of the loan shall not exceed five years. Extensions of existing loans beyond 5 years shall be at the discretion of the IDB.
3. At minimum, the loan shall require repayment of the principal at the end of the loan term plus an annual fixed interest rate equal to 1% above the 5 year U.S. Treasury rate at loan origination. In addition, an annual .25% loan servicing fee shall be applied to the loan. Extensions of existing loans shall be at an interest rate 2% above the 5 year U.S. Treasury rate at the date of closing of the extended loan, plus an annual .25% loan servicing fee.
4. Funding should facilitate economic activity, but should not be for the sole purpose of obtaining a loan at a lower rate of interest.
5. Project shall be compatible with the East Central Region's current year Comprehensive Economic Development Strategy (CEDs) goals and objectives.
6. Funding shall be available for all aspects of a proposed economic development project, including, but not limited to acquisition of real property and/or improvements; demolition; architectural/engineering design; renovation; conversion and related fees for legal services, filing,

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etc.; excepting purchases of equipment and administration costs.

7. Actual conditions of funding for each proposal shall be established on an individual basis by the IDB as approved by the Winnebago County Board of Supervisors.
8. Application shall be received by the County not less than fifteen days prior to the next regularly scheduled Industrial Development Board (IDB) meeting.
9. A signed resolution from the governing body requesting the funds shall accompany each application. Resolution shall include loan security through the governmental entity's tax levying authority.
10. All loans shall be closed within forty-five (45) days after the date of approval by the Winnebago County Board of Supervisors. If not closed within 45 days, a new loan application will have to be submitted by the municipality and will require approval by the IDB and the County Board of Supervisors.

SUBMITTAL

1. The loan proposal must be submitted by a governmental entity having tax levying authority, but only after the authorization by the governmental unit's governing body.
2. The proposal is to be submitted in writing to the IDB, c/o Winnebago County Planning Department, P.O. Box 2808, 112 Otter Ave., Oshkosh, WI 54903-2808, or by e-mail: jbougie@co.winnebago.wi.us. Fax: 920-232-3347.
3. The proposal is to be submitted in a format that identifies: Subject matter of the funding request; location of the project; purpose of the project; size of the project; cost of the total project; potential for jobs from the project; and the potential for increased tax base.

PROPOSAL REQUIREMENTS

1. The proposal shall:
 - a. Be compatible with the current year CEDS goals and objectives.

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- b. Not be used to supplant locally budgeted funds or outside grants and aids.
 - c. Be acceptable as part of a package where other grants and aids or financing techniques are involved, e.g., used as matching funds or along with TIF funding, provided the supplanting restriction is not violated.
 - d. Loan to Equity Investment: Based on the total loan amount, the applicant shall have a minimum of 10% personal equity or 5% in cash along with 15% in business equity. The Board has the option of waiving this criteria based on the totality of the loan application.
 - e. The Board has the option to refer a loan application to an outside financial institution for review prior to taking action on the loan. The cost of the outside referral will be absorbed by the applicant, assuming the applicant wishes to continue with the loan process.
 - f. Maximum Loan Request: The applicant may borrow up to 20% of the total IDB loan pool. The Board has the option of waiving this criteria based on the potential economic impact that a loan application may have on the County.
 - g. Demonstrate that the loan agreement between the local unit of government and the business shall be at the same terms (interest rates and payback provisions) as the County's agreement with the local unit of government. Notwithstanding the above, the local unit of government may charge an annual fee of up to .25% on the outstanding balance of the loan. In addition the local unit of government may also charge reasonable fees for late payments.
 - h. Provide evidence that the loan will not create an undesirable impact on the local unit of government's debt capacity.
2. The proposal shall have a positive impact on the tax base. This is defined as one, or a combination of the following:
 - a. It will protect or maintain the existing tax base, e.g., proposal will dissuade a company from vacating a facility in the County.

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- b. It will expand the existing tax base, e.g., proposal enables an addition to an existing facility .
 - c. It will create a new tax base, e.g., proposal enables a new facility to locate in the County.
3. The proposal shall address a tangible end product and identify community or area need(s).
 4. Financial reports and other methods of identifying progress of the project shall be established in the proposal, but shall, as a minimum, be on an annual basis, according to accepted accounting procedures and with a written narrative which adequately addresses all aspects of the original proposal.

IDB OPTIONS

1. The IDB will consider initiating acquisition/development in those instances where the project is multijurisdictional in nature and where such action is vital to the CEDS.
2. The IDB will consider assuming management/administration responsibility for a project when included in a municipality's proposal.
3. The IDB will consider initiating acquisition/development when mutually agreed upon between the IDB and affected municipality.

If you have any questions, feel free to contact the Winnebago County Planning Office at 232-3339 or 232-3340, by Fax: 920-232-3347, e-mail: jbougie@co.winnebago.wi.us. Website: www.co.winnebago.wi.us

WINNEBAGO COUNTY INDUSTRIAL DEVELOPMENT FUNDS

APPLICATION FORM

Please answer all questions and return the form and supporting information to the Winnebago County Planning Department, P.O. Box 2808, Oshkosh, WI 54903-2808; or e-mail form and supporting documents to jbougie@co.winnebago.wi.us

1. Describe the Project:

a. Location (include map):

b. Purpose:

c. Size:

d. Cost:

2. Will the project maintain, expand, or create a new tax base?

Revolving Loan Fund Application

(Signature of Applicant)

(Date)

(Community)

(Phone)

ings and to finance the acquisition through the issuance of revenue bonds for the purpose of fulfilling the aims of this section. These purposes are declared to be public purposes for which public money may be spent and the necessity in the public interest for the provisions of this section is declared a matter of legislative determination.

(b) It is found and declared that the control of pollution of the environment of this state, the provision of medical, safe employment, telecommunications and telegraph, research, industrial park, dock, wharf, airport, recreational, convention center, trade center, headquarters and mass transit facilities in this state, and the furnishing of electric energy, gas and water in this state, are necessary to retain existing industry in, and attract new industry to, this state, and to protect the health, welfare and safety of the citizens of this state.

(c) It is found and declared that the revitalization of the central business districts of the municipalities of this state is necessary to retain existing industry in, and attract new industry to, this state and to protect the health, welfare and safety of residents of this state.

(2) DEFINITIONS. As used in this section, unless the context otherwise requires:

(a) "Authorized developer" means a corporation organized under ch. 180 or 181 which the governing body designates as an authorized developer after making a finding that the principal purpose of the corporation is the general promotion of business development in the municipality or in the local area containing the municipality.

(b) "Distributor" includes any person engaged primarily in the business of making sales of any products of agriculture, forestry, mining or manufacture in the ordinary course of business to purchasers for purposes of resale or further processing or manufacturing.

(c) "Eligible participant" includes any person, other than the state or any other governmental unit, who enters into a revenue agreement with a municipality with respect to an industrial project. If more than one eligible participant is a party to a revenue agreement, the undertaking of each shall be either several or joint and several as the revenue agreement provides. An eligible participant need not be directly or indirectly a user of the project.

(d) "Equip" means to install or place on or in any building or improvements or the site of the building or improvements equipment of any kind, including machinery, utility service connections, pollution control facilities, building service equipment, fixtures, heating equipment and air conditioning equipment.

(e) "Governing body" means the board, council or other body in which the legislative powers of the municipality are vested.

(f) "Improve", "improving", "improvements" and "facilities" embrace any real or personal property or mixed property of whatever useful life that can be used or that will be useful in an industrial project including sites for buildings, equipment or other improvements, rights-of-way, roads, streets, sidings, foundations, tanks, structures, pipes, pipelines, reservoirs, lagoons, utilities, materials, equipment, fixtures, machinery, furniture, furnishings, improvements, instrumentalities, pollution control facilities, and other real, personal or mixed property.

(g) "Indenture" means an instrument under which bonds may be issued and the rights and security of the bondholders are defined, whether the instrument is in the form of an indenture of trust, deed of trust, resolution of the governing body, mortgage, security agreement, instrument of pledge or assignment or any similar instrument or any combination of these forms and whether or not the instrument creates a lien on property.

(h) "Initial resolution" means a resolution of the governing body expressing an intention, which may be subject to conditions stated in the resolution, to issue revenue bonds under this section in an amount stated, or a sum not to exceed a stated amount, on behalf of a specified eligible participant, for a stated purpose.

(i) "Municipality" means any city, village or town in this state.

(j) "Pollution control facilities" include, without limitation because of enumeration, any facilities, temporary or permanent, which are reasonably expected to abate, reduce or aid in the prevention, measurement, control or monitoring of noise, air or water pollutants, solid waste and thermal, radiation or other pollutants, including facilities installed principally to supplement or to replace existing property or equipment not meeting or allegedly not meeting acceptable pollution control standards or which are to be supplemented or replaced by other pollution control facilities.

(k) "Project" and "industrial project" mean any of the following: *

1. Assembling, fabricating, manufacturing, mixing or processing facilities for any products of agriculture, forestry, mining or manufacture, even though the products may require further treatment before delivery to the ultimate consumer;

2. Generating, manufacturing, transmission or distributing facilities for electric energy, gas or water;

3. Telecommunications and telegraph facilities;

4. Pollution control facilities, including any connected environmental studies and monitoring systems;

5. Sewage and solid and liquid waste disposal facilities;

6. Printing facilities;

7. Hospital, clinic or nursing home facilities.

7m. Animal hospitals and veterinary clinics;

8. Industrial park facilities;

9. Dock, wharf, airport, railroad or mass transit facilities;

10. National or regional headquarters facilities;

11. Recreational facilities, convention centers and trade centers, as well as related hotels, motels or marinas;

12. Facilities to provide service activities, including but not limited to warehousing, storage, distribution, research and data processing, which are directly related to and used in conjunction with a project enumerated in this paragraph having the same principal user;

13. Facilities required for compliance with a lawful order of the U.S. occupational safety and health administration or any similar governmental agency; and

14. In addition to subd. 12., facilities used primarily for the storage or distribution of products described under subd. 1., materials, components or equipment, but not including facilities regularly used for the sale of goods or services to ultimate consumers for personal, family or household purposes.

15. Facilities for compliance with a lawful order of any state or federal governmental agency controlling the use of land with respect to any of the industries, activities or facilities enumerated in this paragraph.

16. Repair or new construction of dry dock facilities, storage facilities or other harbor improvements.

17. Nonresidential facilities including, but not limited to, one or more shopping centers, office buildings, convention or trade centers, hotels, motels or other nonresidential buildings, with respect to which an urban development action grant has been made under 42 USC 5318 as in effect on April 30, 1980.

18. Alcohol fuel production facilities.

19. Facilities for research and development activities relating to the production of products described under subd. 1. regardless of whether the user of the facilities is also engaged in the production of one or more of those products.

20. A shopping center, or an office building, convention or trade center, hotel, motel or other nonresidential facility, which is located in or adjacent to a blighted area as defined by s. 66.1105 (2) (a), 66.1331 (3) (a) or 66.1333 (2m) (b) or in accordance with a redevelopment plan or urban renewal plan adopted under s. 66.1331 (5) or 66.1333 (6).

21. Cable television facilities which provide services only in a municipality having a population of 2,500 or less.