



Legislation Text

File #: Res.0320-16, **Version:** A

Alderman Morgenroth

CDBC Small Business Revolving Loan to R&B Grinding Company, Inc.

WHEREAS, the Redevelopment Authority of the City of Racine (the Authority) recognizes that the cultivation and support of small business is an essential component to the redevelopment and growth of the City of Racine and the nation; and

WHEREAS, The City of Racine Common Council approved Resolution 15-00626 granting the Authority's request to establish a Community Development Block Grant (CDBG) Small Business Development Revolving Loan Fund; and

WHEREAS, The City of Racine Common Council approved Resolution 15-00855 granting the Authority's request to approve the Community Development Block Grant (CDBG) Small Business Development Revolving Loan Fund policies and procedures; and

WHEREAS, The Racine County Economic Development Corporation Business Lending Partners is a Small Business Development Organization that has loan review committee consisting of professional business lenders; and

WHEREAS, RCEDC's Business Lending Partners has reviewed the request of R&B Grinding Company, Inc. for a loan of \$506,815.00 for the purchase of equipment recommends that the Authority approve the request; and

WHEREAS, The policies for the CDBG Small Business Development Revolving Loan Fund limits loan sizes to not more than \$250,000.00. However, the request of R&B Grinding Company, Inc. has a large employment impact with job retention expectations of 105 jobs or more and, therefore, warrants a waiver of the program's loan cap.

THEREFORE BE IT RESOLVED, that the Redevelopment Authority of the City of Racine, recommends to the Common Council that the Mayor, City Clerk, and Director of City Development are authorized to execute a written agreement with R&B Grinding Company, Inc. consistent with federal regulations for CDBG funds with loan assistance not to exceed \$506,815.00 for the purpose of retaining an existing business and at least 20 employees with 11 (51%) from low to moderate income households.

Fiscal Note: The Community Development Committee and Common Council allocated CDBG funds for the purposes of assisting businesses through 2016 Annual Plan, and there are sufficient resources available to fund this project.