

Memorandum

To: CEDC

From: Karen Harkness, Community and Economic Development Department

Date: June 6, 2013

Re: East Central Wisconsin Regional Revolving Loan Fund

The Wisconsin Economic Development Corporation (WEDC) developed an initiative that seeks to consolidate the local CDBG Business Revolving Loan Funds that exist in Calumet, Fond du Lac, Outagamie, Shawano, Waupaca, Winnebago, Waushara, Green Lake and Marquette counties in East Central Wisconsin into one regional loan fund.

The proposed consolidation will:

Provide a more effective financing program

Remove existing federal regulations

Open up additional funds to more businesses and projects

Streamline fund management

Relieve individual communities of administrative and legal responsibilities

Improves local and regional capacity for economic development

Implements a regional strategy

Encourages local governments to work together

Allow entitlement communities, such as Appleton, to buy into the Revolving Loan Fund

The City of Appleton is an entitlement community (communities that receive CDBG funding) and as such we are not allowed to access funds from the revolving loan funds.

The Participation Policy drafted during the creation of the East Central Wisconsin Regional Revolving Loan Fund will allow entitlement communities to “buy into” participating in this economic development tool. The Governance Board of East Central Wisconsin Regional Loan Fund may determine that an entitlement community may participate based on a contribution my that community of not less than \$500,000 in liquid assets to the Loan Fund. The payment method and details would be determined by a Memorandum of Understanding. The Governing Board shall limit access to the Loan Fund for 2 years to the amount contributed to ensure the money continues to be used for its intended purposes in non-entitlement areas. The Governing Board by a 2/3 vote may determine that there are special circumstances that warrant an exception to the 2 year waiting period.

Community and Economic Development staff has reviewed the East Central Wisconsin Regional Revolving Loan Fund draft manual and recommends the City of Appleton approve participation in the East Central Wisconsin Regional Revolving Loan Fund.

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**EAST CENTRAL WISCONSIN
REGIONAL LOAN FUND
POLICIES AND PROCEDURES MANUAL**

**EAST CENTRAL
WISCONSIN**

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REVISED 4-1-2013

SECTION 1: GENERAL PROVISIONS

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1.1 TITLE

These regulations shall hereinafter be known, cited, and referred to as the East Central Wisconsin Regional Loan Fund (EC Loan Fund) Program Policies and Procedures Manual for the Counties of Calumet, Fond du Lac, Outagamie, Shawano, Waupaca, Winnebago and others as prescribed herein. ~~The counties eligible to participate in EC Loan Fund are those that committed their existing CDBG – ED Funded RLF funds and or other funds to capitalize the regional fund. Please see Attachment A for the Participation Policy.~~

1.2 DEFINITIONS

- Capital Under Management: Cash on hand and all outstanding loan balances.
- CDBG Program Income: All cash originally assigned to the EC Loan Fund by authorizing resolution of the participating RLF units of local government.
- Defederalized repayments: Primary and secondary loan repayments received after the date the loans are assigned to or issued by the EC Loan Fund.
- Participating County: Any County within the region that meets the qualifications and has signed the Resolution to participate in the E Loan Fund
- Participating RLF Communities: Any RLF within the designated region that has assigned the entirety of the community's CDBG RLF portfolio to the EC Loan Fund.
- Program Administrator: The Administrator chosen by the Governing Board to Administer the Regional RLF.
- Program Staff: Local Economic Development Directors and/or Local Economic Development Organizations authorized by the Program Administrator to perform specified EC Loan Fund administrative functions.
- Regional Program Funds: Defederalized repayments.

1.3 PURPOSE

These regulations have been established to set forth the criteria that shall govern the economic development activities promoted with regional program funds made available through the East Central Wisconsin Regional RLF (hereinafter referred to as the Program).

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1.4 OBJECTIVES

Economic development activities assisted with regional program funds made available through this Program are intended to meet the following objectives:

- (a) To maintain and promote a diverse mix of employment opportunities to minimize seasonal or cyclical employment fluctuations.
- (b) To encourage the creation and retention of permanent jobs which represent a range of wage scales appropriate to the skills and experience of the local labor force.
- (c) To encourage the leveraging of new private and public investment in East Central Wisconsin.
- (d) To maintain a positive business climate which encourages the retention and expansion of existing businesses and industry and helps to attract desirable new businesses and industry.
- (e) To encourage the development of modern technology, as well as safe and healthy work environments.
- (f) To promote industrial and commercial development in East Central Wisconsin.
- (g) To help implement the East Central Wisconsin Comprehensive Economic Development Strategy (CEDS) and any other adopted Economic Development plans.

1.5 AMENDMENTS

The Governing Board of the East Central Wisconsin Regional Loan Fund may from time to time amend the provisions imposed by the policies and procedures contained within this manual. Any such amendments are subject to the approval of the Wisconsin Economic Development Corporation (WEDC) which administers the funds used to capitalize the East Central Wisconsin Regional RLF.

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Attachment A

PARTICIPATION POLICY

In the circumstance that a county does not have an RLF, the Governing Board, may allow participation based on a mutually agreed amount determined by the Governing Board and WEDC, and contributed by WEDC to the EC Loan Fund.

The Governance Board may determine that an entitlement community may also participate based a contribution by that community of not less than \$500,000 in liquid assets to the EC Loan Fund the payment to be determined by the Memorandum of Understanding. In that case the Governing Board shall limit access to the EC Loan Fund for 2 years to the amount contributed to ensure the money continues to be used for its intended purposes in non-entitlement areas. The Governing Board by a 2/3 vote may determine that there are special circumstances that warrant an exception to the 2 year waiting period.

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