

NOTICE OF MEETING

SHEBOYGAN COUNTY INDUSTRIAL DEVELOPMENT AGENCY

May 13, 2024

3:30 PM

Sheboygan County Administration Building
508 New York Ave.
Sheboygan, WI 53081
Conference Room #119

Remote Access:

312 626 6799

Meeting ID: 828 0562 4208

Passcode 386121

<https://us02web.zoom.us/j/82805624208?pwd=dDA5R1hvWUxJOEdrUm5sUk9lUldLZz09>

AGENDA

Call to Order

Certification of Compliance with Open Meeting Law

Minutes from December 18, 2023

Correspondence - None at the time of mailing

Introduction to Officers

Revolving Loan Fund - Balance

Consideration of Application to Rural Development – Intermediary Relending Program

Other Business

Adjournment

Prepared by:

Cory Hansen

Recording Secretary

Keith Abler

Committee Chairperson

NOTE: Persons with disabilities needing assistance to attend or participate are asked to notify the SCEDC at 920-946-9378 prior to the meeting so that accommodations may be arranged. Most of the County Board of Supervisors members or any of its committees may be present at this meeting to listen, observe, and participate. If a majority of any such body is present, their presence constitutes a "meeting" under the Open Meeting Law as interpreted in State ex rel. Badke v. Greendale Village Board, 173 Wis. 2d 553 (1993), even though the visiting body will take no action at this meeting.

Posted 05/10/2024 @ 10:00 AM

**SHEBOYGAN COUNTY INDUSTRIAL DEVELOPMENT AND REVOLVING LOAN FUND
AGENCY MINUTES**

Administration Building, Room 302
508 New York Avenue
Sheboygan WI

December 18, 2023

Called to Order 3:03 PM

Adjourned: 3:21 PM

MEMBERS PRESENT: Chairperson Vernon Koch, Vice Chairperson Keith Abler, Crystal Fieber, Steve Hatton, and Tom Reil

ALSO PRESENT: Jeremy Fetterer, Ray York, Brian Doudna, and Cory Hansen

Chairperson Koch called the meeting to order at 3:03 PM. Mr. Doudna certified compliance with the open meeting law. The meeting notice was posted at 9:30 AM on December 15, 2023.

There was no correspondence to present to the Agency.

Vice Chairperson Abler made a motion to approve the minutes of the August 2, 2023 Industrial Development and Revolving Loan Fund Agency Meeting. Motion was seconded by Corporation Counsel Fieber. Motion carried.

Mr. Fetterer provided a summary of the Revolving Loan Fund portfolio. Loan balances were discussed with an explanation of the distribution method of loan payments to the County Close Program account, and the funds designated to the Revolving Loan Fund account. Mr. Doudna noted that a bank member of the Agency requested to modify Revolving Loan Fund operations to enable financial institution loan officers the ability to review loan underwriting in advance of the actual Industrial Development and Revolving Loan Fund Agency meeting. This pre-review activity will be implemented as part of the loan review process beginning in 2024. No action was taken.

Consideration of payment of administrative service expenses related to the operation of the Industrial Development and the Revolving Loan Fund Agency for 2023. Vice-Chairperson Abler made a motion to approve operational expenses (legal services, loan underwriting services and staffing costs) from the Sheboygan County Economic Development Corporation in the amount of \$6,921.00. Motion was seconded by Finance Director Hatton. Motion carried. Corporation Counsel Fieber abstained from the vote.

Finance Director Hatton made a motion to adjourn at 3:21 PM. Motion seconded by Vice-Chairperson Abler. Motion carried.

Cory Hansen
Recording Secretary

Vern Koch
Committee Chair

USDA

U.S. DEPARTMENT OF AGRICULTURE

Together, America Prospers

Intermediary Relending Program

What does this program do?

This program provides low-interest (1 percent) loans to local lenders

- "intermediaries" - who then relend to businesses to help improve economic conditions and create jobs in rural communities.

Who can apply?

The following groups are eligible to be Intermediary lenders:

- Nonprofit corporations
- Federally-recognized Tribes as defined by U.S. Department of the Interior Indian Affairs

(information is available at this link: <https://go.usa.gov/xz74x>)

- Public agencies
- Cooperatives

Individuals, public or private organizations, or other legal entities are eligible to apply for intermediary loans as "ultimate recipients" provided:

- U.S. citizens or permanent residents hold majority ownership in the business applying
- The applicant owes no delinquent debt to the U.S. Government
- The applicant cannot get affordable commercial financing for the project elsewhere
- The project is located in an eligible rural area (Information is available at this link: <https://go.usa.gov/xz72E>)
- The applicant has no influence, or legal or financial interest in the work of the intermediary lender

Are there other requirements?

Intermediary lenders must:

- Have the legal authority to operate a Revolving Loan Fund (RLF)
- Confirm the intermediary is advised by a board comprised of business and civic leaders
- Show an established record of successfully assisting rural businesses and communities, including experience making and servicing commercial loans
- Provide adequate assurance of the ability to repay the loan
- Demonstrate capitalization or equity sufficient to maintain lending and business operations
- Be able to close an IRP loan within six months of its approval

How much funding is available to intermediaries?

- Up to \$1 million
- Total outstanding debt from the IRP to a single intermediary cannot exceed \$15 million

What are the terms for the intermediary lender?

- Interest rates are fixed at 1 percent
- The maximum term is 30 years
- Interest-only payments are permitted for the first three years
- In the first six months after closing,

\$250,000 or more of loan funds must be used

What is the maximum loan amount available to ultimate recipients?

The maximum loan amount available to an ultimate recipient is \$400,000, or 50 percent of the loan to an intermediary lender; whichever is less.

What are the rates, terms, and payment structure on the loan to the ultimate recipient?

Rates and terms are set by the intermediary lender, and must cover the cost of operating and continuing the revolving loan fund. In the first six months after closing, \$250,000 or

more of the loan funds must be used.

How can funds be used?

- Promote community development
- Establish a new business
- Form and support microlending programs
- Create or retain jobs
- Buy, build, convert, expand, or repair a business or its facility, especially if jobs will be created or saved
- Purchase or develop land, including easements, rights-of-way, buildings, leases, and materials
- Buy equipment, machinery or supplies, or make other leasehold improvements
- Cover eligible start-up costs and working capital
- Address pollution control and abatement
- Support transportation services
- Pay for feasibility studies and professional fees (such as architects, engineers, attorneys, and accountants)
- Build hotels, motels or convention centers
- Support educational institutions
- Promote aquaculture-based rural small businesses
- Establish revolving lines of credit as described in 7 CFR Part 4274.320 (available at this link: <https://go.usa.gov/xz7B4>)

NOTE: Ineligible loan purposes can be found in 7 CFR Part 4274.321 (available at this link: <https://go.usa.gov/xz7B8>)

USDA Rural Development

U.S. DEPARTMENT OF AGRICULTURE

How can an organization become an intermediary lender?

Contact your local Rural Development office (a list is available at this link: <https://go.usa.gov/xz7k6>) to learn how to become an RLF lender.

What is an eligible area?

- Rural areas outside of cities or towns with populations of less than 50,000 are eligible.
- Urbanized areas near cities with populations of 50,000 or more must be checked for eligibility.
- The borrower's headquarters can be based within a larger city as long as the project service area is located in an eligible rural area.
- The lender can be located anywhere.

You can check eligible addresses for Rural Business-Cooperative programs at this link: <https://go.usa.gov/xz72E>.

How do we get started?

To apply, contact your local Rural Development office (a list is available at this link: <https://go.usa.gov/xz7k6>).

Who can answer questions?

- Intermediaries and ultimate recipients can contact an IRP intermediary lender serving your area. You can also contact your local office for assistance.

What governs this program?

- Basic program: 7 CFR Part 4274 (available at this link: <https://go.usa.gov/xJTdu>)
- Loan servicing: 7 CFR Part 1951R (available at this link: <https://go.usa.gov/xungE> - PDF)
- This program is authorized by the Food Security Act of 1985,

Pub L. 99-198 (available at this link:

<https://go.usa.gov/xz79X> - PDF).

Intermediary Relending Program

Why does USDA Rural Development do this?

The purpose of the IRP is to help address poverty by increasing economic activity and employment in rural communities - with added

emphasis on communities considered particularly disadvantaged or remote.

Intermediaries are encouraged to focus on state- and region-based strategies, and to work in partnership with other public and private organizations that can provide complementary resources.

NOTE: Because citations and other information are subject to change, always consult the program instructions listed in the section above titled "What Governs This Program?" You can also contact your local office for assistance (a list is available at this link: <https://go.usa.gov/xzjP7>). You will find additional forms, resources, and program information at rd.usda.gov. USDA is an equal opportunity provider, employer, and lender.

Last Updated May 2022