

RESOLUTION NO. 2020-01

**A RESOLUTION OF THE MONTICELLO CITY COUNCIL ESTABLISHING
A REVOLVING FUND PURSUANT TO INDIANA CODE 5-1-14-14,
CREATING A PROGRAM ASSISTING SMALL BUSINESSES AFFECTED
BY COVID-19, AND APPROVING CERTAIN RELATED MATTERS**

WHEREAS, the Monticello City Council (the "Council"), the fiscal body of the City of Monticello, Indiana (the "City"), has previously established the "Economic Development Income Tax Fund" (the "EDIT Fund"); and,

WHEREAS, on deposit in the EDIT Fund are the City's distributive share of the White County Economic Development Income Tax on the adjusted gross income of White County taxpayers, in accordance with I.C. §6-3.5-7; and,

WHEREAS, said funds may be used for funding a revolving fund established under I.C. §5-1-14-14; and,

WHEREAS, under I.C. §5-1-14-14(b) a municipality may establish a revolving fund from which the municipality may loan money to any borrower if the municipal fiscal body finds that the loan will be used by the borrower for one (1) or more of the following economic development purposes:

- (1) promoting significant opportunities for the gainful employment of the municipality's residents.
- (2) attracting a major new business enterprise to the municipality.
- (3) retaining or expanding a significant enterprise in the municipality; and,

WHEREAS, on March 6, 2020, Indiana Governor Holcomb issued his Executive Order 20-02 declaring that a public health disaster emergency exists in Indiana attributable to Novel Coronavirus Disease 2019 ("COVID-19"), and has since extended his Emergency Declaration Order; and

WHEREAS, the City of Monticello by its Mayor, City Council, and Board of Public Works and Safety have issued their Executive Orders declaring that a state of local disaster emergency exists in the City of Monticello due to COVID-19; and,

WHEREAS, small Monticello businesses have suffered severe economic loss due to public health measures in response to COVID-19.

WHEREAS, the Council desires to establish a revolving fund pursuant to I.C. §5-1-14-14(b) (the "Act"), to be funded from a portion of the funds on deposit in the EDIT Fund, for the purpose of making one or more loans to borrowers approved pursuant to the Act.

NOW, THEREFORE, BE IT HEREBY RESOLVED, by the Monticello City Council, as follows:

1. The Council hereby establishes a revolving fund pursuant to the Act, to be designated as the "Monticello Economic Development Revolving Fund" (the "Economic Development Fund"). The City may loan the money in the Economic Development Fund to any borrower if the Council finds that the loan will be used by the borrower for one or more of the following economic development purposes: (a) promoting significant opportunities for the gainful employment of the municipality's residents, (b) attracting a major new business enterprise to the City, and (c) retaining or expanding a significant enterprise in the municipality. The proceeds of such loan shall be used by the borrower for such purposes are authorized by the Act.

2. The Economic Development Fund shall be initially funded with monies on deposit in the EDIT Fund in the amount of Fifty Thousand Dollars (\$50,000.00), and the Monticello Clerk-Treasurer is hereby directed to cause such amount to be transferred from the EDIT Fund to the Economic Development Fund.

3. The Council shall prepare borrower's loan application forms, loan agreements, promissory notes, and such other related necessary instruments and documents.

4. The term of all such loans shall be for a fixed period of two (2) years, shall bear interest the rate of one percent (1%) per annum and shall be due and payable in full on the maturity date; provided however, so long as the borrower has satisfied its covenants as set forth in the loan agreement and promissory note executed by the borrower, the repayment of the loan will be forgiven on the maturity date and there shall be no obligation of the borrower to repay the loan, the consideration for the loan being the retention and continued operation of the borrower's business enterprise during the term of the loan and the resulting economic benefits to the City.

5. Eligibility shall be limited to businesses operating within the corporate limits of the City of Monticello, which are current on all taxes, not in violation of any federal, state, or local code or ordinance, and such other criteria as determined by the Council including credit-worthiness.

6. Approved uses of borrowed funds include financial business hardships incurred due to COVID-19, such as capital needs, payroll expenses, preventing staffing reductions, and other critical business expenditures which shall be detailed within the borrower's loan application.

7. Loan applicants shall apply to the Clerk-Treasurer, and may be required to execute affidavits of eligibility, and a credit check may apply. Upon review and approval by the Council, the Clerk-Treasurer and borrower shall execute loan agreements, promissory notes, and other documents and instruments to effectuate the loan.

APPROVED AND RESOLVED, by the Monticello City Council on this 11th day of May, 2020.

Cathy Gross
CATHY GROSS, Mayor

ATTEST:

James Mann
JAMES D. MANN
Clerk-Treasurer

AYES

NAYS

Ken Newton
Bill Cheever
Elly Payne
Ralph White

