

**RESOLUTION 2022-19
(4-06-2022)**

RESOLUTION BY THE ADMINISTRATION, PERSONNEL, POLICY AND LEGAL COMMITTEE OF THE VILLAGE OF STURTEVANT ADOPTING THE RACINE ECONOMIC DEVELOPMENT CORPORATION (RCEDC) STURTEVANT REVOLVING LOAN FUND (RLF) AND MATCHING GRANT PROGRAM POLICIES AND PROCEDURES MANUAL.

WHEREAS, the Village of Sturtevant executed a one-year agreement with Racine County Economic Development Corporation (RCEDC) for economic development services, which included the administration of Revolving Loan Funds (RLF) and grants; and

WHEREAS, a Policies and Procedures Manual was prepared by RCEDC for said loans and grants; and

WHEREAS, the Village of Sturtevant and the Community Development Authority have authorized funds of up to \$1,250,000 for these loans and grants from TID funds; and

WHEREAS, it is important to have these loans and grants to support local businesses with economic development activities within the Village of Sturtevant.

NOW THEREFORE, the Village Board of the Village of Sturtevant, Racine County, Wisconsin does hereby resolve:

1. That the execution of the Policies and Procedures Manual prepared by Racine County Economic Development Corporation, presented as "Exhibit A", is authorized and approved.
2. That the Village President and the Village Clerk are authorized to sign any agreements or other documents necessary to carry out the intent of this resolution.
3. That the funds for said loans and grants be determined and administered by the Village Administrator, not to exceed the total amount approved by the Sturtevant Village Board and the Community Development Authority. Initial start-up funds in the amount of \$500,000 shall be taken from TID fund 204.

Adopted by the Village Board of the Village of Sturtevant, Racine County, Wisconsin, this 6th day of April 2022.

Village of Sturtevant

By


Michael Rosenbaum, President

Attest


Cheryl Zamecnik, Village Clerk

Village of Sturtevant

Revolving Loan Fund Program

(Sturtevant TID 4 RLF)

Policies and Procedures Manual

Prepared by:
Racine County Economic Development Corporation
Last Revised: January 2022

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SECTION 1. GENERAL PROVISIONS

1.1 PURPOSE

The purpose of the policies and procedures contained within this manual, hereafter referred to as the Sturtevant RLF Manual, is to present the criteria which governs the economic development activities assisted with funds made available through the Village of Sturtevant Revolving Loan Fund program. All criteria set forth in the Manual are subject to the discretion of the Sturtevant Village Board and Community Development Authority.

1.2 OBJECTIVES

Economic development activities assisted with funds made available through the Sturtevant RLF Program are intended to meet the following objectives:

1. To encourage the creation and retention of permanent jobs
2. To encourage the leveraging of new private investment in the Village of Sturtevant in the form of private fixed asset investment, particularly in land, buildings which contribute to increasing assessed values, but also investments in furniture and fixtures and equipment.
3. To perpetuate a positive and proactive business climate, which encourages the retention and expansion of existing businesses and helps to attract desirable new businesses.
4. To maintain and promote a diverse mix of employment opportunities and to minimize seasonal or cyclical employment fluctuations.
5. To implement the Village of Sturtevant's HWY 11 Corridor Design Guidelines.
6. To Encourage thriving retail areas by providing incentives to businesses to enhance or fill empty storefronts and vacant buildings.
7. Other objectives as the Village of Sturtevant deems appropriate.

Note: The Village of Sturtevant recognizes the need for smaller business loans to increase access to capital where private dollar matches may not be needed. Businesses will be encouraged to apply for these loans with flexible terms such as deferral options and streamlined application and closing processes when applicable. These applicants would still need to demonstrate a community benefit and meet at least one of the Program Objectives for the RLF as listed above. These loans may be higher risk than traditional RLF's due to the streamlined processes for loan approvals and closings, as well as likely lower collateral coverage.

1.3 AMENDMENTS and MODIFICATIONS

The Village of Sturtevant may from time to time amend the provisions imposed by the policies and procedures contained within the Sturtevant RLF Manual and such amendments are subject to written approval by the Village of Sturtevant Board and Community Development Authority.

SECTION 2. ADMINISTRATION

2.1 LOAN COMMITTEE

1. The Village of Sturtevant accepts full responsibility for the appropriate administration of the Sturtevant RLF program. Funding decisions relative to Sturtevant RLF loans and grants will be made by the Racine County Economic Development Corporation (RCEDC) with a loan review process determined by its Board of Directors.
2. The Village of Sturtevant has entered into an agreement with the RCEDC whereby the Village of Sturtevant designates RCEDC as its agent for the administration of the Sturtevant RLF Program (RLF Administrator).
3. The RLF Administrator shall explain the Program to prospective applicants, provide written information, assist applicants in completing applications, and process requests for financing. The RLF Administrator, where necessary and appropriate, shall counsel or guide loan applicants to other more appropriate technical and financial resources when the loan applicant has needs beyond those available from the Sturtevant RLF program.
4. The RLF Administrator shall periodically review all financial statements and loan amortization schedules of Sturtevant RLF loan recipients, review and approve documentation of business expenditures financed with Sturtevant RLF proceeds, record Sturtevant RLF security instruments, maintain the Sturtevant RLF accounting records which shall be segregated from other community accounts, and report semi-annually to the Village of Sturtevant regarding the use of the Sturtevant RLF funds.
5. The RCEDC Loan Advisory Committee shall function as the Sturtevant RLF Loan Review Committee which will include individual's representative of broad Racine County community interests and having special expertise and knowledge of commercial lending and economic development processes. The Loan Review Committee shall have the authority to review, select and recommend loan applications to the RCEDC Board of Directors for final approval. The RCEDC Board of Directors may delegate certain loan and grant approval authority to RCEDC Management or the RCEDC Loan Advisory Committee.
6. The RCEDC shall prepare all loan agreements, review all promissory notes and mortgage or lien instruments, and notify the Village of Sturtevant on default matters. RCEDC legal counsel will be engaged where appropriate. All attorney fees incurred shall be the charged to the borrower. (See Section 2.4 Administration)
7. The RLF Administrator shall be responsible for the maintenance of all other records for the Sturtevant RLF, particularly those related to the expenditures of the Sturtevant RLF moneys for program administration purposes.

Servicing actions, specifically changes to loan terms and conditions, will be considered by the RCEDC Loan Advisory Committee.

2.2 MEETINGS

RCEDC Loan Advisory Committee meetings and RCEDC Board of Director meetings to review loan and

grant applications shall be held on an as-needed basis. All Committee and Board members shall be given prior notice of each meeting. A majority of the Committee or Board members in attendance at a meeting constituting a quorum shall be required for official action. Official actions must have the support of the majority of the members present.

2.3 RECORDS

Written records of all program activities, including program meetings, loan applications, and related documents, shall be maintained in appropriate files by RCEDC. All files, electronic and/or paper files, will be maintained by RCEDC in a secure place with limited access by authorized personnel. The Village of Sturtevant legal counsel shall be consulted with regard to compliance with state and municipal open records laws.

The following files shall be established and maintained for each loan recipient:

1. Loan Application File. All application, business financial statements, personal financial statements, credit reports, business plan documents, a summary of the credit analysis, recommended actions for the application, and other supporting loan information submitted to RCEDC, including all applicable correspondence, shall be placed in a loan application file. The minutes of the RCEDC Loan Advisory Committee and RCEDC Board of Directors meetings summarizing the action taken on the loan requests shall also be maintained in the Committee and Board Meeting files.
2. Loan Closing/Collateral Files. Contains copies of all the legal documents from the loan closing, including security instruments, the note and other applicable correspondence. Original loan and collateral documents shall be placed in a locked, fireproof filing cabinet at the offices of RCEDC. Copies of the loan closing documents, and an amortization schedule will be provided to the loan recipient, along with an invoice, if applicable, for loan closing and servicing fees.
3. Loan Servicing File. Contains all records of applicable activity related to the monitoring of the loan. This file will include:
 - List of applicable loan covenants;
 - Records of site visits conducted periodically to each loan recipient, the scheduling of which depends on the nature of the project;
 - Certificates of insurance for builders risk, property-casualty, and life insurance, as applicable;
 - Evidence of payment of real estate taxes, if applicable;
 - Borrower financial statements as required by the loan covenants;
 - Documentation for job creation and retention;
 - Copies of written correspondence; and
 - Records of important conversations.
4. "Tickler" System. To ensure that loan repayments, financial information, the loan agreement covenants, UCC updates, and other time sensitive documentation requirements are tracked and obtained as required, the following information where applicable will be maintained in the Loan Servicing File and/or loan servicing software for monitoring:
 - Expiration dates for property, casualty and life insurance policies;
 - Due dates for all financial statements;
 - Scheduled dates of annual loan performance and covenant reviews;
 - Dates for site visits;
 - Due dates for property tax payments;

- Review dates for job monitoring; and
 - Monitoring of UCC financing statements for necessary renewals.
5. Repayment Monitoring will be tracked via computer program and include the loan amortization schedule, status of payments, and the outstanding balance of the loan, observations suggesting concerns or problems will be reported to the RCEDC Loan Advisory Committee.
 6. Loan Review. All loans are to be reviewed on an annual basis, and at such other times as may be deemed necessary by the RLF Administrator or the Village of Sturtevant. The review will follow receipt of the fiscal year-end financial statements and will result in the loan being 'risk rated' based upon RCEDC's review. The loan risk rating shall be in the file and may include review of the following: timeliness of monthly payments, collateral securing the loan; overall financial condition of the business; the presence of material liens or lawsuits, and violations of loan covenants and suggested corrective actions.

If the business is experiencing problems with any of the above criteria, the RLF Administrator is to work with the loan recipient to identify actions that are needed to correct the identified deficiencies, including possible restructuring of the loan to protect the Village of Sturtevant interest and meet the needs of the business.

In the event the findings of the loan review suggest serious problems, particularly if the loan is at risk for default, RCEDC will cooperate with the RCEDC attorney and the Village of Sturtevant attorney in order to initiate steps necessary to protect the loan and to insure the maximum repayment of the balance due. Corrective actions may be achieved through restructuring or if necessary, foreclosure.

2.4 ADMINISTRATION

The following fees are required for the program:

- Loan Processing Fee - Determined annually to be consistent with other RCEDC programs. This fee is charged directly to the Borrower.
- Administrative Fee - RCEDC will collect monthly interest paid on the RLF loans to cover administrative costs associated with the program. This fee is charged directly to the Borrower and collected with monthly loan payments.
- Closing and Out-of-Pocket Fees – Closing and all out-of-pocket expenses including but not limited to legal fees related to closing or servicing the loans will be the responsibility of the Borrower. If an attorney is not used to close a loan, a closing fee will be charged by RCEDC for this service.

SECTION 3. ELIGIBILITY CONSIDERATIONS

Note: All eligibility criteria are intended to be guidelines and subject to the discretion of RCEDC in consultation with Village Board staff.

3.1 ELIGIBLE AREA

The area served by the Sturtevant RLF program is the TID 4 area boundary. See addendum 1 for map.

3.2 ELIGIBLE APPLICANTS

1. Applicants shall be any business wishing to establish a new operation, expand an existing operation or construct or improve a facility for lease to business (es) located in the Eligible Area and which comply with the Program Requirements (Section 3.6).
2. Applications may be submitted by the sole proprietor, managing partner, managing member or Chief Executive Officer of any business wishing to establish a new operation, expand an existing operation or construct or improve a business facility within the Eligible Area.
3. No member of the governing body, the RCEDC Loan Advisory Committee, or any other official, employee, or agent of the Village of Sturtevant who exercises decision-making functions or responsibilities in connection with the implementation of this program is eligible for financial assistance under this program.
4. No program loans will be made which are in conflict with Section 946.13 of the Wisconsin Statutes (Private Interest in Public Contract Prohibited).
5. Applicants shall not be disqualified based on age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation or national origin.

3.3 ELIGIBLE ACTIVITIES

Program loans shall be available to eligible applicants for the following activities:

1. The acquisition of land and buildings.
2. Machinery and equipment acquisition, furniture and fixtures.
3. Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment.
4. Clearance, demolition, removal of structures, rehabilitation and renovation of buildings, facade renovation and other such improvements.
5. Leasehold improvements, where the lease period is for the term of the RLF TID loan or five years, whichever is less.
6. Business acquisition through purchase of assets or stock.
7. The payment of assessments for sewer, water, street, and other public utilities if the provision of the facilities will directly create or retain jobs.
8. Working capital.
9. Other costs which represent opportunities to further the goals and objectives of development in the TID.

3.4 INELIGIBLE ACTIVITIES

Program loans shall not be available for the following activities:

1. Refinancing or consolidating of existing debt.

2. Reimbursement for expenditures made more than nine months prior to a complete loan application being received, unless the time limit is extended or waived by RCEDC Loan Committee for good cause.
3. Specialized equipment that is not essential to the business operation.
4. Residential building construction or reconstruction (unless such reconstruction is intended to convert the building or a portion of the building to a business or industrial operation).
5. Routine maintenance.
6. Other activities that the Loan Review Committee may identify during the administration of the program.

3.5 INELIGIBLE BUSINESSES

Program loans shall not be available for the following businesses:

1. Speculative investment companies.
2. Lending institutions.
3. Gambling operations.
4. Non-public recreation facilities.
5. Other businesses not serving the interests of the Village of Sturtevant.
6. Non-Profit

3.6 PROGRAM REQUIREMENTS

To be eligible for funding, a proposed project would ideally meet the following minimum requirements:

1. Private Funds Leveraged. Ideally, the applicant would leverage one dollar (\$1.00) of private funds for every one dollar (\$1.00) of loan funds requested; however, lower leverage is permitted particularly with the increased focus on businesses in need of smaller loans that may not require private dollar matches. Private funds used to leverage the Sturtevant RLF loan may be used for any eligible project costs or renovations or improvements to residential portions of the project real estate. Consideration of private funds towards any other ineligible project costs as leverage of the Sturtevant RLF would require approval of the Village of Sturtevant.
2. Community Benefits. Applicants must demonstrate the project will benefit the community by meeting one or more of the objectives listed in Section 1.2 of this Policy Manual.
3. Financial Feasibility and Business Viability. The applicant must demonstrate that the proposed project is viable and the business will have the economic ability to repay the funds.
4. Project Completion. Projects shall be completed within 12 months from the date of the loan approval unless prior approval is given by the RCEDC Loan Advisory Committee. Applicants shall provide a project implementation schedule.

5. Records. Loan recipients will maintain those records that are necessary for the Village or its designated agent, to determine if the performance of the business complies with the terms of the loan agreement. The records may include, but may not be limited to, purchase orders, invoices, records of payments, canceled checks, payroll records and/or business certifications indicating the number of new or retained employees as a result of the Project. The Village or its designated agent will have access to all records pertinent to the Project for the purposes of examination and transcription.
6. Compliance With Applicable Laws. Applicants shall comply with all applicable local, state, and federal laws and codes.
7. Nondiscrimination. Recipient businesses will not discriminate against any employee or applicant for employment on the basis of race, color, religion, sex, national origin, age, or handicap.

SECTION 4. TERMS AND CONDITIONS

4.1 TERMS AND CONDITIONS

Loan terms and conditions shall be structured on need and ability to repay. Typical standards may include the following:

1. Loan Amount. Loan amounts are subject to the availability of program funds and to the following guidelines. A maximum loan size of \$250,000 for each borrower. Loan amounts may be higher if the project is determined to be of significant economic impact and is so designated by the Village of Sturtevant.
2. Interest Rate. Loans shall be subject to a minimum interest rate of fifty percent (50%) of the current prime rate as published in the Wall Street Journal at the time of application. The maximum interest rate shall be the prime rate of interest plus 2%, as published in the Wall Street Journal at the time of loan application. The interest rate shall be established by the RCEDC Loan Advisory Committee, taking into consideration the borrower's ability to repay, the desirability of the borrower and the project relative to the Sturtevant RLF goals, and the availability and cost of other financing alternatives available through private financial institutions. The interest rate will be fixed for the term of the loan or may be variable, based upon criteria established by the RCEDC Loan Advisory Committee.
3. Terms for Loans. Loan terms and amortization schedules should not exceed the useful life of the collateral.
 - Working capital loans shall have a maximum term of seven years.
 - Loans for machinery, equipment and fixtures shall have a maximum term of ten years.
 - Real estate loans shall have a maximum term of 12 years which can be amortized on a 25-year basis with the option of refinancing for an additional thirteen years.

Amortization schedules shall be set up for monthly payments. At the option of the Loan Advisory Committee, amortization periods may be longer than the loan term, with the balance of the loan to be paid as a balloon payment or by refinancing at an interest rate which the Loan Advisory Committee determines to be appropriate.

4. Deferral of Payments. Payment of interest and/or principal may be deferred for up to eighteen (18) months if merited in the loan application. Interest may accrue during the deferment period and may

be paid in full or added to the principal amount of the loan. Following the deferral period, interest and principal shall be paid for the remaining term of the loan.

5. Grants. Grants of up to \$25,000 may be granted by RCEDC Staff and Loan Advisory Committee for those projects to be determined to have a significant community impact. Grants would be determined on a case-by-case basis as deemed appropriate by RCEDC Staff and Loan Advisory Committee. For businesses that have been in operation for less than one year, the grant application must include the following:
 - a. Complete Business Plan
 - b. Financial projections with written assumptions
 - c. Budget for business start-up or expansion plans
 - d. Documentation that the business has secured the funding necessary for the budget, i.e. cash equity, commitment letters from financial institutions, etc.

The purpose of this program is to assist small business and property owners with smaller projects such as façade, white boxing, tenant improvements of properties.

The presentation to the RCEDC Loan Advisory Committee would include the following:

- Description of project;
 - Extent to which the project meets these Program Objectives and other eligibility criteria for funds as described within this Policy Manual; and
 - Confirmation that the Borrower is current with all tax obligations and has no financial concerns that may be found in RCEDC public records checks and review of financials.
6. Prepayment. Borrower may prepay the loan in full or in part at any time without penalty.
 7. Collateral. The Village of Sturtevant will seek to have the best collateral position possible to ensure that Sturtevant RLF loans are adequately secured. The collateral requirements will be determined on an individual basis by the RCEDC Loan Advisory Committee and may include: mortgages and/or liens on land, buildings, machinery, equipment, accounts receivable, inventory or other assets of value owned by the borrower, principal owners, other co-borrowers or guarantors. The collateral position of the Sturtevant RLF may be subordinated to private sector financial institutions participating in the project, if approved by the Loan Advisory Committee. Personal guarantees from the principals of the business may be required. In addition, life insurance coverage on the principal owner naming the Village as assignee may also be required but more typically in cases of a collateral shortfall where the Sturtevant RLF loan size exceeds \$100,000.
 8. Insurance. Businesses receiving loans secured by real estate and fixed assets will be required to obtain property-casualty insurance equal to the amount of outstanding loan balance and have the Village listed as a mortgagee and/or loan loss-payee on the insurance policy. Proof of insurance with appropriate endorsement or coverage documents will be requested prior to the closing of the loan.

SECTION 5. APPLICATION PROCEDURES

5.1 DISCUSSION OF REQUIREMENTS

Prior to submitting an application, the applicant shall discuss the program with the RLF Administrator. The RLF Administrator shall assist the applicant, as is reasonably necessary, in completing the application. All financial information will be kept in a secured place with limited access by authorized

personnel only.

5.2 PRIORITY

Applications shall be reviewed in the order received and based on readiness for the proposed project to proceed. The Administrator of the Village of Sturtevant and the staff of the RCEDC will determine whether sufficient funds are available in the –Sturtevant RLF to accept applications for new business loans or grants and RCEDC will promote the Sturtevant RLF as to the availability of the funds to the business community.

In the event that loan funds requested exceed available funds, the following criteria will be used to determine which business(es) will be awarded the loan(s):

1. Eligibility of the applicants.
2. Eligibility of the project to be undertaken.
3. The extent to which private funds are to be leveraged.
4. The extent to which jobs are to be created, and the type jobs and wages.
5. The extent to which the loan can be secured.
6. Evidence of ability to repay the loan.
7. Size of the loan requested.
8. Timing of the proposed expenditures.
9. Completeness of application.
10. The extent to which the applicant meets the Villages Strategic Plan.
11. The extent to which the business may have received Village assistance in the past few years.
12. Other factors as deemed appropriate.

5.3 TIMING

Applications may be submitted at any time during the calendar year.

5.4 LOAN APPLICATION

Applicants shall submit an application using the Sturtevant RLF application forms which may require the following be included:

1. Project description of how the business plans to use the requested funds.
2. A business plan that includes the history and description of the business and analysis of management ability.

3. Personal Financial Statement current within 90 days for each proprietor, partner member or stockholder of the operating business concern, and, if different, each owner of any eligible passive company used to hold the project real estate.
4. Resumes of owners and any principals involved in the day-to-day management.
5. Balance sheet and income statements for the previous three years for the operating business concern.
6. A balance sheet and income statement dated within 90 days of the application with an aging of the accounts receivable and accounts payable listed.
7. Financial projections, including both balance sheet and income statements for the first two years with a description of the assumptions attached.
8. For a new business, a monthly cash flow analysis for the first 12 months of operation or three months beyond break even, (whichever is longer) together with a description of assumptions attached.
9. A schedule of debts which includes the original amount, date, monthly payment, interest rate, present balance, maturity, to whom payable and collateral.
10. The names of affiliated (through management control) or subsidiary businesses as well as the last two fiscal year-end financial statements and a current financial statement for each of these firms.
11. A copy of key cost documents related to the project such as real estate purchase agreements, contractor cost estimates, equipment costs, etc.
12. An accepted offer to purchase land and/or buildings.
13. If applicable, a copy of the existing or proposed lease agreement.
14. An independent appraisal for construction projects on an "as completed basis" and otherwise as required.
15. Environmental analysis, if applicable.
16. A letter from the participating lender stating the terms and conditions of its participation.
17. A resolution from the Board of Directors of the borrower authorizing it to borrow or (if applicable) a Partnership Borrowing Agreement.
18. If applicable, corporate documents, including but not limited to Articles of Incorporation, Corporate By-laws, etc.

The RLF Administrator reserves the right to waive one or more of the above requirements when analyzing the loan request for a recommendation to the RCEDC Loan Advisory Committee and Village of Sturtevant.

5.5 REVIEW PROCESS

Specific steps in the review process include the following:

1. Preliminary Review. The RLF Administrator will review the application for completeness and verify that the proposed project meets the minimum requirements provided in Section 3.6. If the application is not complete, the Administrator will inform the applicant of the deficiencies.
2. Formal Review. The RCEDC Loan Advisory Committee will meet to review applications within 30 days of the receipt of a completed application or at some other predetermined schedule. Once the review is completed and the proposal is acceptable for funding, the RCEDC Loan Advisory Committee or Staff will forward the proposal for final approval as described in Section 2.
3. Negotiation of Terms. Upon the acceptance by RCEDC Loan Advisory Committee, the RLF Administrator will contact the business in writing to review and explain the terms of the loan.
4. Notice of Award. If the application is approved, a closing will be scheduled to execute the necessary loan documents.
5. Rejection of Award. If the application is not approved, the RLF Administrator will explain the reasons for rejection and offer the applicant advice on ways to strengthen the loan request or to identify alternative funding sources.

SECTION 6. DISTRIBUTION OF FUNDS

6.1 LOAN PROCEDURES

Prior to releasing funds, the following documentation must be in place or provided at the appropriate time during the term of the loan.

1. Notice of Award. The loan request must have been reviewed and approved as described in Section 2.
2. Loan Agreement. The RCEDC attorney or designee shall prepare a loan agreement which shall be executed by RCEDC Staff and the Borrower.
3. Promissory Note. A promissory note shall be prepared by the RCEDC attorney or designee and signed by the Borrower at the time of loan closing. The note must be dated; it must reference the agreement between the Village of Sturtevant and the business; and it must specify the amount and repayment terms of the loan.
4. Security. Agreements provided as security for all loans shall be prepared by the RCEDC attorney or designee and executed at the time of the loan closing. The RLF Administrator shall record the instrument and place a copy in the loan file.
5. Repayment Schedule. A loan repayment or amortization schedule shall be prepared by the RLF Administrator after the loan proceeds are fully disbursed. The repayment schedule shall be dated and signed by the Borrower.
6. Evidence of Permits. Documentation must be provided by the applicant that all necessary permits, licenses, and any other registrations required have been obtained by the applicant prior to the release of program funds.

7. Evidence of Expenditures. Documentation must be provided by the business to evidence program expenditures. Documentation may include bills and invoices or receipts for materials, final bills of sale or canceled checks. If loan includes Working Capital, the working capital portion may be disbursed in installments. Once the borrower spends the funds on working capital for the business, they will send us documentation of expenditures before the next installment will be sent. Working capital documentation may include financial statements. All documentation shall be reviewed and approved by the RLF Administrator.
8. Equipment. Equipment financed with loan and grant funds must show proof of payment and invoices. The RLF Administrator shall verify there is proof of payment for project costs.

With the above documentation in place, the RLF Administrator will schedule a loan closing. All documents will be executed before funds are disbursed and mortgages and UCC Statements shall be recorded with the Register of Deeds and the Department of Financial Institutions.

SECTION 7. POST APPROVAL REQUIREMENTS

7.1 OBLIGATION OF LOAN RECIPIENT

In addition to the terms and conditions of the loan, all borrowers shall agree to comply with the following:

1. The creation or retention of the agreed upon number of jobs within an agreed upon period of time detailed within the loan agreement.
2. Not to discriminate on the basis of age, race, religion, color, handicap, sex, physical condition, development disability as defined in s. 51.01(5), sexual orientation or national origin in any employment or construction activity related to the use of the business loan funds.
3. To use the loan money only to pay the cost of services and materials necessary to complete the project or activity for which the loan funds were awarded.
4. To permit inspections by persons authorized by the Village of Sturtevant, of all projects and properties assisted with loan funds. Related project materials shall also be open to inspections which include, but may not be limited to, contracts, materials, equipment, payrolls, and conditions of employment. Requests for inspection shall be complied with by the borrower.
5. To maintain records on the project as may be requested by the Village of Sturtevant or the Loan Administrator. These files shall be maintained as long as the loan is active or for at least three (3) years after completion of the work for which the loan has been obtained, whichever is longer.
6. To submit periodic progress reports to the Administrator in accordance with the schedule in the loan agreement. These reports shall report on project progress including number of jobs created or retained during the loan agreement.
7. To maintain insurance on the project property required during the term of the loan. The Village of Sturtevant shall be listed as Loan Loss Payee and/or Mortgagee on the policy as determined by the RLF Administrator. A collateral assignment of life insurance may be required of the applicant.

SECTION 8. PERFORMANCE MONITORING

8.1 PRIVATE LEVERAGE COMMITMENTS

The RLF Administrator shall monitor the use of the funds and expenditure of private leverage commitments. Documentation may include invoices or receipts for materials and supplies, letters from lenders, final bills of sale, and/or canceled checks.

8.2 HIRING OF NEW EMPLOYEES

The RLF Administrator shall monitor the borrower's progress in meeting the specific loan criteria.

8.3 DEFAULT

1. In addition to the grounds specified in the loan agreement, the following shall be considered default:
 - (a) Defaulting on other loans with private lenders.
 - (b) Cessation of operations or relocation of operations from the Eligible Area.
 - (c) Sale of the business.
2. In the event the business is in default on any of the terms and conditions of the loan agreement, all sums due and owing, including penalties shall, at the Village of Sturtevant option, become immediately due and payable. To exercise this option, the RCEDC's attorney shall prepare a written notice to the business. The notice shall specify the following:
 - (a) The default.
 - (b) The action required to cure the default.
 - (c) A date, not less than thirty (30) days from the date of the notice, by which the default must be cured to avoid foreclosure or other collective action.
 - (d) Any penalties incurred as a result of the default.

SECTION 9. USE OF LOAN REPAYMENTS AND REPORTING

9.1 STURTEVANT RLF ACCOUNT

Repaid Sturtevant RLF loan funds shall be deposited into an interest bearing account at a financial institution insured by the Federal Deposit Insurance Corporation (FDIC) and may be reloaned in a manner consistent with the policies of the Sturtevant RLF Manual. A separate accounting record for each loan shall be kept to account for all funds loaned. (Section 10.2(b)).

SECTION 10. LOAN SERVICING

10.1 MONITORING

The RLF Administrator shall monitor each loan to ensure compliance with the loan terms and conditions and the financial health of the business to insure continued repayment of the loan. The monitoring will also ensure that all recordkeeping requirements are met, particularly in regard to job creation and expenditures of matching funds.

The RLF Administrator will notify the loan recipient in writing of any payment deficiency and the action

that will be taken should the payment not be made. Should there be a late payment; the RLF Administrator will contact the loan recipient to determine the reason for the delayed payment. Contact may need to be made with other participating lender(s) to determine if their loans are current and to alert the lender of a potential problem. All payments shall be applied first to accrued late payment penalties, then to interest accrued, and then to principal.

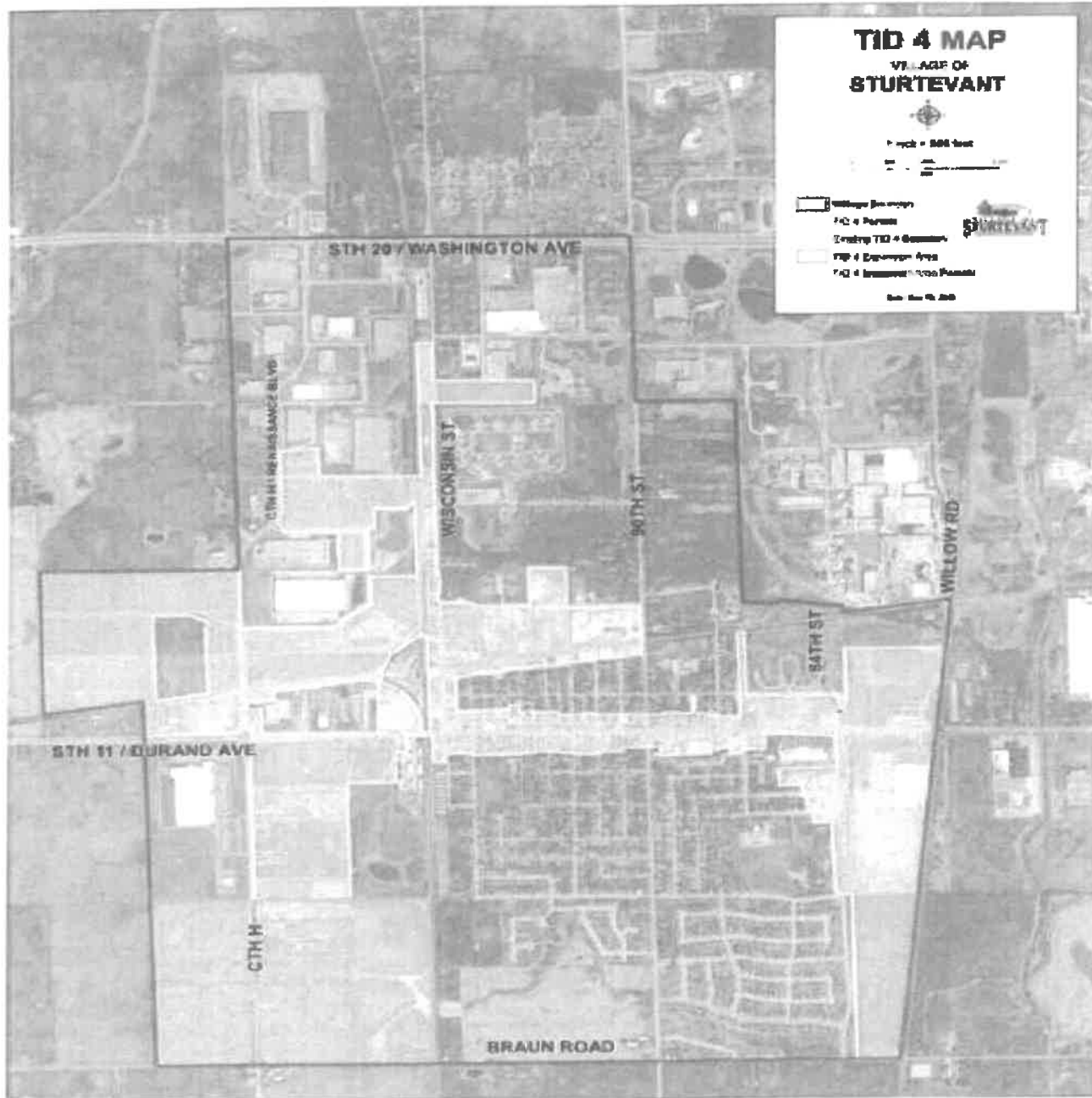
A loan servicing file, repayment monitoring file and "tickler" file shall be established and maintained for each loan recipient to insure complete, accurate and timely information on the status of the loan. The files will include records of all payments, observations and comments of the RLF Administrator, all written correspondence, a record of important conversations, a list of applicable loan covenants, certificates of insurance, and life insurance, as applicable; and documentation for job creation and retention.

10.2 RECORDKEEPING

The RLF Administrator shall maintain the following financial management records will be comprehensive and designed to provide the following information:

- (a) Revolving Loan Funds Status Report. - Contains the business name, loan date, loan amount, terms, and date repayment begins.
- (b) Revolving Loan Fund Accounting Records. – record of all deposits and disbursements to and from the Sturtevant RLF, including funds used for Sturtevant RLF administration.
- (c) Sturtevant RLF Loan Repayment Records. - records repayments made by each business which has received a loan from the Sturtevant RLF. It also tracks the balance of repayments from all loans from the Sturtevant RLF. Payments are divided into principal and interest payments with a declining principal balance.

ADDENDUM 1



Section II: Primary Contact

Section IV: Grant Request

| | |
|--|------------------------------|
| Describe how grant proceeds be spent | Title |
| Acquisition of Land and Building | \$ _____ Phone Number |
| Equipment | \$ _____ |
| FF&E | \$ _____ |
| Leasehold Improvements | \$ _____ |
| Improvements to building that incur public utility expenses | \$ _____ |
| Section I: Business Information | |
| Other (please explain) <input type="checkbox"/> S Corp <input type="checkbox"/> C Corp <input type="checkbox"/> LLC <input type="checkbox"/> LLP <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Proprietor | |

| | |
|--|---|
| Legal Name | Trade Name |
| Property Address | |
| City, State, Zip Code | County |
| FEIN | NAICS Code |
| Date Established | State of Organization |
| Number of Employees | Full Time <input type="checkbox"/> Part Time <input type="checkbox"/> |
| Website | |
| Phone Number | Email Address |
| Briefly describe the business including products/services, locations, and customer: | |
| | |

ADDENDUM 2
Village of Sturtevant Matching Grant Application

Section III: Business Ownership

| List of Owners | Ownership % | Male or Female | Veteran | Race |
|----------------|-------------|----------------|---------|------|
| | | | | |
| | | | | |
| | | | | |

| | |
|--|----|
| TOTAL (Up to \$25,000 or no more than 50% of total eligible costs, or whichever is less can be reimbursed) | \$ |
| Describe how your project meets one or more of the Sturtevant Matching Grant Program's objectives | |
| Since this is a partial reimbursement grant, describe how you will pay for the remaining 50% of the project's cost | |

| | | |
|--|--------------------------|--------------------------|
| Section V: Business/Owner Status | | |
| Please answer the flowing questions (check box that applies) | | Yes |
| No | | |
| Is your business currently registered with the WI Department of Financial Institution? | <input type="checkbox"/> | <input type="checkbox"/> |
| Are you and your business current on property taxes and federal/state taxes? | <input type="checkbox"/> | <input type="checkbox"/> |
| If you answered 'No' to questions 2 and 3, please explain how much you owe and your repayment plan | | |

Are you interested in hearing about our Sturtevant RLF Loan program?

MATCHING GRANT REINBURSEMNT PARAMETERS

| | |
|-----------------------------|--|
| Grant Amount | <ul style="list-style-type: none"> \$25,000 or no more than 50% of total eligible costs, or whichever is less can be reimbursed. |
| Administrative Costs | <ul style="list-style-type: none"> Processing fee of 1.5% of the approved grant amount will be due at the time of grant approval. For example, a \$25,000 grant would have a processing fee of \$375. Fees would be due within 10 days of approval date to ensure grant funds are reserved. |
| Eligible Uses: | <ul style="list-style-type: none"> The acquisition of land and buildings. Machinery and equipment acquisition, furniture, and fixtures. |

| | |
|-------------------------------|---|
| | <ul style="list-style-type: none"> • Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment. • Clearance, demolition, removal of structures, rehabilitation and renovation of buildings, facade renovation and other such improvements. • Completing leasehold improvements where a signed lease is provided • Making improvements to a building that incur public utility expenses such as fire suppression, utility assessments. • Other costs which represent opportunities to further the goals and objectives of development in the TID project plan. • Startups will be considered with business plan and funding commitments. |
| Ineligible Uses: | <ul style="list-style-type: none"> • Refinancing or consolidating of existing debt. • Specialized equipment that is not essential to the business operation. • Residential building construction or reconstruction (unless such reconstruction is intended to convert the building or a portion of the building to a business or industrial operation). • Routine maintenance. • Other activities that the Loan Review Committee may identify during the administration of the program. |
| Ineligible Businesses: | <ol style="list-style-type: none"> 1. Speculative investment companies. 2. Lending institutions. 3. Gambling operations. 4. Non-public recreation facilities. 5. Other businesses not serving the interests of the Village of Sturtevant. 6. Non-taxable properties. |
| Grant Reimbursement: | The approved applicant must submit all invoices and payment records for eligible costs. |
| Reporting | One year after reimbursement, the approved grant recipient must agree to submit a memorandum on company letterhead that identifies the results of the matching grant program that align with one or more of the Sturtevant Matching Grant Program's objectives. |

February 17, 2022

President Rosenbaum
Members of the Village Board
Village of Sturtevant
2801 89th St
Sturtevant, WI 53177

Dear President Rosenbaum and Members of the Village Board:

This letter is intended to serve as a letter agreement between the Village of Sturtevant, hereinafter referred to as "Sturtevant" and the Racine County Economic Development Corporation (RCEDC). In accordance with this agreement, the RCEDC agrees to continue to provide economic and community development technical assistance to Sturtevant. Such assistance will be coordinated on a day-to-day basis with the Administration and, with regard to policy-related issues coordinated with the President, Administrator, and Village Board.

PURPOSE

The purpose of the agreement is to further the overall goals of community and economic development by facilitating job growth and investment, resulting in new tax base for Sturtevant, through interagency cooperation and services provided by the RCEDC. In particular, this Agreement will result in the provision of technical assistance relative to Sturtevant's initiative to conduct various development and redevelopment projects in the central business district and its environs.

AGREEMENT

The RCEDC agrees to provide direct economic and community development assistance to Sturtevant in accordance with the objectives promulgated by the President, Village Board and Administration. The RCEDC has assigned Jordan Brown, Business Recruitment Specialist as the economic development staff person as the lead with direct support provided by Carolyn Engel, Business Finance Manager and Jenny Trick, Executive Director. Mr. Brown will act as the Village's economic development advocate, in partnership with other RCEDC staff, and will expend best efforts to promote business retention and expansion, business recruitment, talent attraction, community development and business finance resources to support Sturtevant and its companies.

This agreement is broken into three sections. First, RCEDC's 2022 strategic plan focuses efforts to deliver financial and technical resources in the Village and throughout Racine County as described in Sections I-IV. Second, RCEDC is responsible to administer the Village of Sturtevant's loan program (Section V), and third, the Village leadership has assigned a number of special projects to RCEDC to

complete (Section VI). The RCEDC Board of Directors adopted the 2022 RCEDC Strategic Plan at its December 2021 meeting.

All of the goals have measurable outcomes and are shown in the attached Snapshot document. In addition to the monthly scheduled meetings and ongoing communications, RCEDC will deliver written and if allowed, verbal semi-annual reports to the President, Village Board, and Administrator.

I. Business Retention and Expansion

Existing businesses are the primary source of job creation in the local economy. In 2010 RCEDC established a Business Retention & Expansion Call Program to meet one-on-one with business owners throughout Racine County. The primary objective, through one-on-one meetings, is to identify and address the needs of businesses to facilitate growth and expansion that leads to new jobs and capital investment.

In 2022, RCEDC's Business Retention and Expansion activities will:

- a. Engage with Racine County's existing businesses through an active outreach program to support retention and expansion needs. When meeting with local companies, RCEDC staff will provide information on existing State, federal and local economic development resources that may assist the needs of local businesses. These programs include low-interest loans, tax credit programs, grants and workforce development assistance.
 - Through an active outreach program, RCEDC will support Sturtevant's Strategic Plan action item: Boutique business environment that supports local entrepreneurs by informing businesses of available funding for operations and exterior improvements
- b. Provide business loans and grant programs to meet the needs of Racine County businesses, including an emphasis on supporting Disadvantaged Business Enterprises .
- c. Enhance the likelihood of new "homegrown" success stories by dedicating time and resources to "economic gardening" programs to grow second stage businesses (10-99 employees) through programs such as the CEO Roundtable, Talent Roundtable, and Living as a Leader.
- d. Stabilize and support small business growth by launching the Coaching Board, to support and grow late-first stage and early-second stage (5-40 employees) businesses.

II. Business Recruitment

Racine County is a highly competitive location for production and distribution of goods. Business recruitment activities will leverage Racine County's location in the Chicago-Milwaukee corridor and assets such as connectivity to transportation networks, quality and quantity of water, competitive cost

of living and doing business, access to experienced professional economic development staff, and strong workforce to attract new industrial, residential and commercial development to grow the local tax base and facilitate job creation. In 2022, RCEDC's business recruitment activities will:

- a. Through an active outreach program to real estate professionals, developers and site selectors, position Racine County's assets in a manner to attract new development and investment. These actions may be done independently or in partnership with WEDC and Milwaukee 7.
- b. In partnership with Foxconn and Racine County municipalities, work cooperatively to pursue new development in the Wisconsin Valley Science and Technology Park and other business parks in Racine County.
- c. In support of our local communities, support the recruitment and development of new residential development.
- d. Through the provision and administration of business loans and incentives, support recruitment efforts.
- e. Provide assistance through the development of customized proposals to businesses interested in establishing a location within the Village per direct contact or referral from the President or Village Leadership. This activity includes providing copies of such proposals, when requested, to the President and Village Administrator, as well as a status report on such businesses as part of this agreement's semi-annual reports, coordinating regular meetings with the President and Village Administrator, and maintaining a periodic business follow-up procedure.

III. Talent Attraction

Talent supply is vitally important to any community's long-term competitiveness. RCEDC will continue to market Racine County to individuals seeking employment through the Greater Racine County (GRC_ talent initiative. This marketing initiative was developed in 2019 to promote Racine County as a great place to work and live. The GRC website hosts company profiles and available employment opportunities. These companies and jobs are promoted within Racine County as well as to targeted markets in northern Illinois.

In 2022, RCEDC's talent attraction activities will continue to do the following:

- a. Increase awareness of Racine County as a prime location to visit, work and live through the Greater Racine County website (www.GreaterRacineCounty.com) and social media.
- b. Continue to partner with local coalition of manufacturers to promote Racine County as a manufacturing hub, resulting in increased awareness of job opportunities in manufacturing and quality of life assets in Racine County with a long-term goal of attracting new manufacturing talent to Racine County.
- c. Promote the Greater Racine County website as the "front door" for talented people considering a relocation to Racine County. Through outreach to local employers and HR professionals, identify near- and long-term workforce needs of primary industries in Racine County.

- d. Based on the feedback resulting from outreach initiatives, advise workforce training and educators of the findings.
- e. Working with tri-county (Racine, Kenosha, Walworth) higher education institutions, identify and implement opportunities to engage and retain local graduates in Southeast Wisconsin.
- f. Through the RCEDC led HR Roundtable and the tri-county higher education program, RCEDC will support Sturtevant's Strategic Plan action item: Maximize local talent to grow and maintain businesses

IV. Community Development

Quality of place plays a significant role in community and economic development, particularly when it comes to talent attraction and retention. Research shows that community attachment is heavily influenced by factors such as how a place looks and the availability of opportunities and places to socialize. Additionally, many talented and educated workers are increasingly attracted to various types of communities in which they do not have to use a car to access shops, restaurants or even jobs. In 2022, Community Development efforts will include:

- a. Assist municipalities with implementation of special projects that support short and long-term development goals that result in higher tax base, more jobs, and residents.
- b. Tourism is economic development and often the first occasion to showcase Racine County as a place to potentially live and work. RCEDC will continue to commit personnel and funding to promoting Racine County and encourage visitors to experience all the assets of Racine County so that if a job opportunity occurs, the acceptance is more likely given the positive experience.

V. RCEDC - Business Finance, Sturtevant Specific Activity

RCEDC will act as the Sturtevant Revolving Loan Fund (RLF) and grant program administrator expected to be established in 2022. The services to be provided by the RCEDC include marketing, underwriting, closing and servicing the Sturtevant RLF loans and grants. In addition to the Sturtevant RLF and grant programs, RCEDC will also market all other available loan and grant programs to Sturtevant businesses.

Specific to the Sturtevant RLF program, RCEDC's services will include the following:

- A. Review and revision of the RLF Policies and Procedures Manual, as needed, subject to Village Board approval.
- B. Ongoing evaluation of the amount and use of funds for business grants as deemed appropriate by the Village Board.
- C. Preparation of the appropriate marketing plan and marketing materials to promote the program.
- D. Implementation of the marketing plan.

- E. Meetings with potential applicants to inform them of the benefits of the RLF program.
- F. Screening of applications relative to their eligibility for the RLF program.
- G. Working with eligible businesses in the preparation of applications to the RLF program and the review of these application materials for any deficiencies.
- H. Approval of all RLF loan applications following RCEDC's formal review process.
- I. Recommendations to Village Board relative to grants that qualify for the RLF program.
- J. Coordination of all loan closings.
- K. Annually risk rating all loans in the portfolio to evaluate the level of risk for the loans.
- L. Meet with loan recipients during the term of their loans to identify how the business is performing and refer to other resources available to support or help grow their business.
- M. Collection of monthly payments and monitoring of the projects for compliance with program requirements and all other terms of the loans. This includes monitoring for compliance with committed company investments in business growth and jobs as part of the terms of their loans.
- N. In performing the work for this contract, the RCEDC agrees to adhere to the following:
 - 1. Civil Rights Act of 1964. Under Title VI of the Civil Rights Act of 1964, no person shall, on the grounds of race, color or national origin, be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
 - 2. Section 109 of the Housing and Community Development Act of 1974. No person in the United States shall, on the grounds of race, color, national origin, sex, age or handicap be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity receiving federal financial assistance.
 - 3. Coordinate the Village's RLF program with other State and federal business loan programs in order to ensure the lowest cost business financing for the customer.

RCEDC 's finance staff, Business Lending Partners, also administers other loan and grant programs making them available to Village of Sturtevant businesses including:

- A. The Racine Development Group loan program funded through financial institutions and private corporations including RCEDC cash reserves to provide gap financing to businesses and real estate projects;
- B. The ZERO Loan Program established through federal dollars to help with recovery of local businesses and the economy from the impact of COVID 19 pandemic;
- C. The Greater Racine County RLF established to support business with some connection to the Foxconn project;
- D. The U.S. Small Business Administration 504 loan program for large equipment, building expansion projects and refinancing;

- E. The RXR RLF loan program established with RCEDC cash reserves to support small business microloans of typically up to \$100,000;
- F. The Racine County Matching Grant Program; and
- G. The Racine County CDBG-CV Grant Program for small businesses (5 or less employees) impacted by the Covid pandemic and that qualify as low-to moderate income.

VI. RCEDC Special Projects, Sturtevant Specific Activities

In addition to the above activities, RCEDC will work in partnership with the Village on the special projects detailed below:

- A. Work in conjunction with Colliers and the Village to market Village owned lands
- B. Market and administer the Village RLF and grant programs
- C. Facilitate Village-identified redevelopment projects in Tax Increment District #4

TIME PERIOD FOR THIS AGREEMENT AND COMPENSATION

The above-referenced assistance will be provided by the RCEDC staff during the time period beginning January 1, 2022 to December 31, 2022.

The cost of this assistance to the Village of Sturtevant remains unchanged for 2021 at \$41,200.

Payments will be made during the first week of each quarter, upon the receipt of an invoice from the RCEDC. The cost of developing any additional materials and significant printing and mailing of items necessary to implement these services are outside the scope of the Agreement and will be negotiated on an as necessary basis.

INDEPENDENT CONTRACTOR

RCEDC shall be an independent contractor Sturtevant. Neither RCEDC nor any of its officers, employees, or agents shall be considered to be an employee of Sturtevant as a result of the obligations undertaken pursuant to this agreement. RCEDC's officers, employees and agents shall make no commitments or representations to third parties without prior approval of Sturtevant. In addition, RCEDC hereby holds harmless Sturtevant and its departments, officers, employees and agents from and against all claims, demands and liability for damages to third persons of any type whatever arising solely out of the actions of RCEDC under this agreement.

TERMINATION

This agreement may be terminated by either party upon thirty (30) days written notice in the event of default by the other party of any material provision hereof which remains unremedied for thirty (30) days following written notice of such default.

NOTICES

Notices under this agreement shall be mailed by registered mail to the President and Village Administrator, 2801 89th St., Sturtevant, WI 53177 for the Village, and to Jenny Trick, Executive Director, 2320 Renaissance Blvd., Sturtevant, WI 53177, for RCEDC, or shall be personally served on either said person or the person in charge of either respective office.

ASSIGNMENT

RCEDC agrees that it will not assign this agreement or any portion thereof, or any of its responsibilities hereunder, to any other party without first obtaining the written permission of the Village.

If the terms and conditions of this proposal are satisfactory, please sign the two original documents where indicated and return to the RCEDC for RCEDC final signature.

Sincerely,



Jenny Trick, Executive Director

IN WITNESS WHEREOF, the parties hereto have executed this agreement on the ____ day of _____, 2022.

VILLAGE OF STURTEVANT

By: _____
Mike Rosenbaum, President

Witness: _____
Amanda Gain, Village Administrator

**RACINE COUNTY ECONOMIC
DEVELOPMENT CORPORATION**

By: _____
Jenny Trick, Executive Director

TO: VILLAGE OF STURTEVANT

FROM: JORDAN BROWN, BUSINESS RECRUITMENT SPECIALIST

**RE: STURTEVANT REVOLVING LOAN FUND (RLF) AND
MATCHING GRANT PROGRAM**

DATE: JANUARY 19, 2022

Introduction

The purpose of this memorandum is to seek approval of the creation of a Sturtevant Revolving Loan Fund (RLF) and Matching Grant Program for Tax Incremental District (TID) Number Four. The RLF program is being established to support improvements in the TID Four geographic area by offering incentives for business recruitment, expansion and other improvements as identified in the program objectives.

The Request

RCEDC requests approval of the following:

1. Approval of the attached "Draft" Sturtevant RLF Policies and Procedures Manual;
2. Allocation of \$1,250,000 for the establishment of the RLF, of which \$250,000 would be dedicated to grants; and
3. Designation of RCEDC as RLF Administrator.

It is noteworthy that this will be a self-funding program with *no administrative costs paid by the Village*. Administrative costs would be paid by loan and grant recipients through fees and interest paid as outlined in the parameters below. This structure is typical for the RLF's administered in Racine County. Program administration would be approved annually through the RCEDC and Village annual contract agreement.

Background

On October 20, 2021, RCEDC Staff presented the Village Community Development Authority (CDA) with a proposal of incentives to be used in TID Four as summarized below.

1. **TID Incentive:** This program is intended for larger projects that would generate increment in TID #4. The incentive would be evaluated in a case-by-case basis and is subject to a negotiated development agreement. An example of this would be the Grand Appliance and Ashley Capital or other large projects.
2. **TID #4 Revolving Loan Fund (RLF):** The purpose of this program is to assist small businesses with alternative forms of low cost and low interest financing. This program would provide upfront money that would be in a loan that would undergo typical loan underwriting processes.
3. **TID #4 Matching Grant Reimbursement Program:** The purpose of this program is to assist small business and property owners with smaller projects such as façade, white boxing, tenant improvements of properties. These grants would have less financial scrutiny as they are reimbursement grants. This provides easier approvals and less risk for the Village.

Program Parameters

Based on the discussion with the Village CDA, RCEDC has prepared and attached a RLF Policies and Procedures Manual for consideration. The program parameters are summarized below.

| Program Parameters | Sturtevant TID RLF Loan and Grant Program |
|------------------------------|---|
| Program Objectives: | <ol style="list-style-type: none"> 1. To improve businesses and facades. 2. To encourage the creation and retention of permanent jobs. 3. To encourage the leveraging of new private investment in the TID in the form of private fixed asset investment, particularly in land, buildings, furniture and fixtures and equipment. 4. To perpetuate a positive and proactive business climate which encourages the retention, expansion and improvement of existing businesses and helps to attract desirable new businesses. 5. To maintain and promote a diverse mix of employment opportunities. 6. To implement the Village of Sturtevant's HWY 11 Corridor Design Guidelines. 7. To Encourage thriving retail areas by providing incentives to businesses to enhance or fill empty storefronts and vacant buildings. 8. Other objectives as the Village of Sturtevant deems appropriate. |
| Administration: | RCEDC will report semi-annually to the Village of Sturtevant regarding the use of the Sturtevant RLF funds. Changes to the Program would be subject to Village approval of updates to the RLF Policies and Procedures Manual. |
| Target Area: | Sturtevant TID #4. |
| Approval Process: | <ol style="list-style-type: none"> 1. RCEDC Loan Committee. 2. RCEDC Board of Directors or a review process delegated by the RCEDC Board of Directors. <p>Note: Grants will only require Loan Committee approval.</p> |
| Administrative Costs: | <p>Administrative costs will be funded by processing fees and interest earned on loans.</p> <p>Fees charged to loan and grant recipients:</p> <ul style="list-style-type: none"> • Loan and Grant Processing Fee – 1.5%. • Out of Pocket Costs. • Interest paid on loans. <p>Note: No direct costs to the Village of Sturtevant.</p> |
| Eligible Uses: | <ul style="list-style-type: none"> • The acquisition of land and buildings. • Machinery and equipment acquisition, furniture and fixtures. • Site preparation and the construction or reconstruction of buildings or the installation of fixed equipment. • Clearance, demolition, removal of structures, rehabilitation and renovation of buildings, facade renovation and other such improvements. • Leasehold improvements, where the lease period is for the term of the RLF - TID loan or five years, whichever is less. • Business acquisition through purchase of assets or stock. • The payment of assessments for sewer, water, street, and other public utilities if the provision of the facilities will directly create or retain jobs. • Working capital. • Other costs which represent opportunities to further the goals and objectives of development in the TID. |

| | |
|-------------------------------|--|
| Ineligible Uses: | <ul style="list-style-type: none"> • Refinancing or consolidating of existing debt. • Reimbursement for expenditures made more than nine months prior to a complete loan application being received, unless the time limit is extended or waived by the RCEDC Loan Committee for good cause. • Specialized equipment that is not essential to the business operation. • Residential building construction or reconstruction (unless such reconstruction is intended to convert the building or a portion of the building to a business or industrial operation). • Routine maintenance. • Other activities that the Loan Review Committee may identify during the administration of the program. |
| Ineligible Businesses: | <ol style="list-style-type: none"> 1. Speculative investment companies. 2. Lending institutions. 3. Gambling operations. 4. Non-public recreation facilities. 5. Other businesses not serving the interests of the Village of Sturtevant. 6. Non-Profit. |
| Eligibility: | <p>Community Benefits. Applicants must demonstrate the project will benefit the community through one or more of the following:</p> <ol style="list-style-type: none"> 1. Tax base enhancement. 2. Business recruitment and expansion. 3. HWY 11 corridor improvement. |
| RLF Loans | |
| Loan Amount: | Loan amounts are subject to the availability of program funds and to the following guidelines. A minimum loan size of \$50,000 and a maximum loan size of \$250,000 for each borrower. Loan amounts may be higher if the project is determined to be of significant economic impact and is so designated by the Village of Sturtevant. |
| Equity: | Typically 10% but no requirement. |
| Interest Rate: | Min. 50% of Prime; Max Prime plus 2% |
| Terms: | Working capital up to 7 years Equipment up to 10 years Real Estate up to 12-year term, 25-year amortization |
| Deferrals: | Principal and interest may be deferred up to 1 year. |
| Prepayment: | No penalty. |
| Collateral: | Seek the best collateral position possible understanding that RLF financing typically has less than 100% collateral coverage. |
| RLF Grants | |
| Grant Amount | <ul style="list-style-type: none"> • \$25,000 or no more than 50% of total eligible costs, or whichever is less can be reimbursed. |
| Grant Eligibility | <ul style="list-style-type: none"> • Applicant that is wishing to establish a new operation, expand an existing operation or construct or improve a facility for lease to business(es) located in the Village of Sturtevant TID 4. • Applicant that is current with all financial obligations with Racine County, Sturtevant, Wisconsin, or any other local unit of government, and have no outstanding fines, penalties, taxes or other financial obligations owed to these entities. • Project plan and budget with funding committed. |

| | |
|-----------------------------|---|
| Grant Reimbursement: | The approved applicant must submit all invoices and payment records for eligible costs. |
| Reporting: | One year after reimbursement, the approved grant recipient must agree to submit a memorandum on company letterhead that identifies the results of the matching grant program that align with one or more of the Sturtevant Matching Grant Program's objectives. |

This Professional Services Agreement ("Agreement") is entered into by and between the Village of Sturtevant ("Client") and EPLEX, LLC (DBA as E-Plan Exam) ("Consultant"). The Client and the Consultant shall be jointly referred to as the "Parties".

RECITALS

WHEREAS the Client is seeking the Consultant to perform services listed in Exhibit A – Plan Review Services and Fee Schedule, ("Services");

NOW THEREFOR, for good and valuable consideration, the sufficiency of which is hereby acknowledged, the Client and Consultant agree as follows:

1. SCOPE OF SERVICES

Consultant will provide the Services to the Client using qualified professionals licensed in the State of Wisconsin to perform work outlined both in this Agreement and Exhibit A.

Consultant will perform Plan Examination services in accordance with the Adopted Building Codes that are enforced by the State of Wisconsin as well as the Client's municipal building codes in accordance with Services.

Consultant will perform work at a level of competency in accordance with industry standards, applicable in the State and Municipality for which the Services are proposed.

It shall be up to the sole discretion of the Client as to what will be required for the ability to have any building project commence. This includes any potential additional documentation, approvals, permits, bonds, compliance with local zoning, historical review, architectural review board requirements, and/or other requirements not herein specified but otherwise required by the Client as the Client.

Due to the nature of the delegated agent/appointed agent program as set forth by the State of Wisconsin Department of Safety and Professional Services, any plan review exceeding the size thresholds for a "Certified Municipality" for Building and HVAC reviews, as well as any and all other types of reviews that rely upon the licensure of Consultant (i.e. Plumbing, etc.) shall be reviewed by Consultant. Client retains the right, should they desire, to perform plan reviews that they have properly licensed qualified individuals to perform review services that would be able to be performed without the existence of this Agreement.

Due to the nature of the delegated agent/appointed agent program as set forth by the State of Wisconsin Department of Safety and Professional Services, Client may at any point in time request that the State of Wisconsin perform any plan review in lieu of Consultant. Client is not bound to accept Consultants approval or disapproval of plans and at its sole discretion may seek another entity, such as the State of Wisconsin Department of Safety and Professional Services, to perform such services. In any event, Consultant shall be entitled to full payment for review of all plans Consultant reviewed, regardless of if Client accepts the review performed.

Consultant is not obligated to perform services beyond what is required by this Agreement.

2. TIMELINE FOR EXECUTION OF SERVICES

Proposed services as part of this Agreement and outlined in Exhibit A, shall be go into full effect at the time and date of this fully executed Agreement.

3. CHANGES TO SCOPE OF SERVICES

Any Changes to Services that are mutually agreed upon between the Client and Consultant shall be made in writing, which shall specifically designate any changes in compensation for the Services and be made as a signed and fully executed amendment to this Agreement.

4. FEE STRUCTURE

In consideration of the Consultant providing services, the Client shall pay the Consultant for the services performed in accordance with Exhibit A – List of Plan Review Services and Fee Schedule.

5. ADMINISTRATIVE AND LOGISTICS INCIDENTAL CHARGES

While review of paper plans as well as shipping and handling of paper plans shall be acceptable, it is the underlying goal of this Agreement to ensure, to the maximum extent possible, the best possible service delivery for code reviews to constituents of the Village of Sturtevant. To accommodate this, the following methods shall be utilized:

1. Electronic Submission of Documents

- a. The Client shall allow and encourage for the submission, wherever possible, of electronic documents to be submitted via pdf format and to work with Consultant on method acceptable for allowing such submissions. At the time of fully executed Agreement, Client shall work with Consultant as to best method to utilize to allow for document submission.
- b. Electronic submission of documents shall be the preferred method to be utilized and encouraged to all appropriate third parties wherever and whenever possible.

2. Paper Submission of documents

- a. Consultant to be responsible for any and all direct charges and expenses associated with shipping and handling charges of all documents to Client via a designated courier and/or approved logistics vendor. At time of fully executed Agreement, Client and Consultant shall agree to desired third party vendor and make all appropriate arrangements to allow for ease of logistics to ship relevant materials and financial costs to be accounted for.
- b. Any direct or indirect charges associated with labor, material, or other costs incurred by Client for delivery of documents to an approved third party courier to ship materials to Consultant shall be the responsibility of the Client.
- c. Any indirect charges associated with labor, material, or other costs incurred by Consultant for delivery of documents to approved third party courier to ship materials to Client shall be the responsibility of the Consultant.

3. Alternate Means and Methods

- a. Nothing shall prevent they Client and Consultant from making alternate arrangements aside from the methods outlined above for delivery of submission to the appropriate parties.

6. INVOICE & PAYMENT STRUCTURE

Consultant will invoice the Client on a monthly basis and provide all supporting documentation. All payments are due to Client as appropriate within thirty (30) days of invoice date. The Client

may request additional information before approving the invoice. When additional information is requested, the Client will identify specific disputed item(s) and give specific reasons for any request. If additional information is requested, the appropriate party will submit payment to the other party within thirty (30) days of resolution of the inquire/dispute.

Consultant will be responsible for collecting all Building, HVAC and Plumbing Commercial Plan Review fees as outlined in this Agreement as well as outlined in Client's Municipal Ordinances and invoicing as outlined in this Agreement.

7. TERM

This Agreement shall be effective on the latest date on which the Agreement is fully executed by both Parties ("Effective Date"). The Initial term of this Agreement shall commence on the Effective Date and be thirty-six (36) months. If neither party objects in writing at the conclusion of this term, this Agreement shall remain in full effect until amended by both parties or Agreement is Terminated as outlined in this Agreement.

8. TERMINATION

Either party may terminate this Agreement, or any part of this Agreement upon thirty (30) days written notice, with or without cause at any time, including during the initial Term of the Agreement. In case of such termination, Consultant shall be entitled to receive payment for work completed up to and including the termination and within thirty (30) days after the termination.

All projects that have had plans submitted, or re-submitted, for review but are not completed at the time of termination may be returned without comments with appropriate refund in initial fees rendered based on services provided. In the event that either condition as set forth in paragraph 5 are met, fees shall be invoiced for as specified in this Agreement.

9. CLIENT OBLIGATIONS

The Client shall take necessary measures to follow procedures as set forth from the State of Wisconsin to seek approval to obtain Delegated Municipality or Appointed Agent Status as required. Consultant will assist in this process to the maximum extent possible however it shall be the primary responsibility of the Client to obtain final authorization to proceed.

If in the event the State of Wisconsin Denies application for Delegated Municipality or Appointed Agent Status to the Client, this Agreement shall continue to exist until such time Delegated Municipality or Appointed Agent Status is granted.

The Client shall provide all data, information, plans, specifications, municipal forms, structural calculations, and all other documentation required by Consultant to perform services in an electronic pdf file format or paper submission in a timely manner.

The Client shall allow through ordinance, if required, the ability for electronic plan submission documents as required by the State of Wisconsin to be submitted and reviewed.

The Client shall maintain licensed credentialed staff of Inspectors at no cost to Consultant to the extent as required by the State of Wisconsin for the Delegated Agent / Appointed Agent plan review program.

The Client shall make all necessary notifications to Consultant regarding any fee schedule changes to their Plan Review Fees within a timely manner.

10. PERFORMANCE STANDARDS

Consultant shall use that degree of care, skill, and professionalism ordinarily exercised under similar circumstances by members of the same profession practicing or performing the substantially same or similar services with respect to the category of services begin performed. Consultant represents to the Client that it retains and will only utilize employees that possess the skills, knowledge, and ability to competently, timely, and professionally perform the Services in accordance with this Agreement.

11. INDEMNIFICATION

To the fullest extent permitted by law, Consultant shall be indemnified and held harmless from any and all claims, demands, suits, costs (including reasonable legal costs), expenses, and liabilities by reason of personal injury, including bodily injury or death and/or property damage to the extent that any such injury, loss or damage is caused by the negligence or breach of duty of Consultant or any officer, employee, representative, or agent of Consultant. If either party becomes aware of any incident likely to give rise to a claim under the above indemnities, it shall notify the other and both parties shall cooperate fully in investigating the incident.

It is up to the sole discretion of the municipality to choose whether to accept, utilize or deny use of any or all documentation provided supplied by Consultant.

12. ASSIGNMENT

Consultant is permitted to subcontract portions of services to be provided with or without notice. Consultant shall remain responsible for any and all of subcontract's performance. subcontractor shall be subject to the same performance, certification and professionalism criteria as expected of the Consultant. Performance clauses shall be included in Agreements with all subcontractor to assure quality levels and agreed upon schedules are met.

A listing of all personnel utilized in the completion of services, regardless of if they are subcontractor or not, shall be provided upon completion by Consultant including applicable license information for personnel and scope of work reviewed by subcontractor.

Unless mutually agreed to in writing prior to such work commencing, Consultant shall not be permitted to utilize individuals for services outlined in Exhibit A of this Agreement who either do not reside in the State of Wisconsin as their primary residence or do not report to a primary employment office located within the State of Wisconsin.

13. INSURANCE

- A. Consultant agrees to procure and maintain, at its own cost, a policy or policies of insurance sufficient to insure against all liability, claims, demands, and other obligations assumed by the Consultant pursuant to this Agreement. Such insurance shall be in addition to any other insurance requirements imposed by law.
- B. At a minimum, the Consultant shall procure and maintain the minimum insurance coverages listed below. Such coverages shall be procured and maintained with forms and insurers acceptable to the Client. In the case of any claims-made policy, the necessary retroactive

dates and extended reporting periods shall be procured to maintain such continuous coverage.

- C. At a minimum, the Consultant shall procure and maintain the minimum insurance coverages listed below for the scope of services Consultant Subcontracts to other parties. These insureds shall be covered by Consultant's insurance as named insureds for the sole purpose and scope of services rendered for this Agreement.
- D. Commercial general liability insurance with minimum combined single limits of one million dollars (\$1,000,000.00) each occurrence and two million dollars (\$2,000,000.00) general aggregate. The policy shall be applicable to all premises and operations of Consultant. The policy shall include coverage for bodily injury, broad form property damage, personal injury (including coverage for contractual and employee acts) blanket contractual independent Consultant's products and completed operations.
- E. Professional liability insurance with minimum limits of one million dollars (\$1,000,000) each claim and two million dollars (\$2,000,000) general aggregate.
- F. Umbrella insurance coverage of five million dollars (\$5,000,000).
- G. Prior to commencement of the Services, Consultant shall submit endorsements of insurance acceptable to the Client.

14. INDEPENDENT AGREEMENTOR

The Consultant is an independent contractor, and neither the Consultant, nor any employee or agent thereof, shall be deemed for any reason to be an employee or agent of the Municipality or Client. As the Consultant is an independent contractor, the Client shall have liability or responsibility for any direct payment of any salaries, wages, payroll taxes, or any and all other forms or types of compensation or benefits to any personnel performing services for the Client under this Agreement. The Consultant shall be solely responsible for all compensation, benefits, insurance, and employment-related rights of any person providing Services hereunder during the course of or arising or accruing as a result of any employment, whether past or present, with the Consultant, as well as all legal costs including attorney's fees incurred in the defense of any conflict or legal action resulting from such employment or related to the corporate amenities of such employment.

15. OWNERSHIP OF DOCUMENTS

The Client shall retain ownership of all work product and deliverables created by Consultant pursuant to this Agreement. All records, documents, notes, data and other materials required for or resulting from the performance of the Services hereunder shall not be used by the Consultant for any purpose other than the performance of the Services hereunder without the express prior written consent of the Client. All such records, documents, notes, data and other materials shall become the exclusive property of the Client when the Consultant has been compensated for the same as set forth herein, and the Client shall thereafter retain sole and exclusive rights to receive and use such materials in such manner and for such purposes as determined by it. If this Agreement expires or is terminated for any reason, all records, documents, notes, data, and other materials maintained or stored in Consultant's secure proprietary software pertaining to the Client will be exported into a XLS, CSV, DOC, or PDF file and become property of the Client.

The Client, shall have the right to request access to any documents, papers and records that the Consultant has related to this project for the purposes of Audit or examination, except for

Consultant's financial records and contractual records, and may make excerpts and transcriptions of the same.

16. SEVERABILITY

If any part of this Agreement shall be held to be invalid for any reason, the remainder of this Agreement shall be valid to the fullest extent permitted by law.

17. DISCRIMINATION & ADA COMPLIANCE

Consultant will not discriminate against any employee or applicant for employment because of race, color, religion, age, sex, disability, national origin, or any other protected class. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship. The Consultant agrees to post in conspicuous places, available to employees and applicants for employment, notice to be provided by an agency of the federal government, setting forth the provisions of the Equal Opportunity Law.

Consultant shall comply with the appropriate provision of the Americans with Disabilities Act (the "ADA"), as enacted and as from time to time amended, and any other applicable federal and State of Wisconsin Law or regulations.

18. PROHIBITION AGAINST EMPLOYING ILLEGAL ALIENS

Consultant shall not knowingly employ or contract with an illegal alien to perform work under Agreement and will verify immigration status to confirm employment eligibility. Consultant shall not enter into an agreement with a subcontractor that fails to certify to the Consultant that the subcontractor shall not knowingly employ or contract with an illegal alien to perform work under this Agreement. Consultant is prohibited from using the program or the Department program procedures to undertake pre-employment screening of job applicants while this Agreement is being performed.

19. NOTICES

Any Notice under this Agreement shall be in writing and shall be deemed sufficient when directly present or sent pre-paid, first class United States Mail, addressed as follows:

| If to the Client: | If to the Consultant: |
|---|---|
| Amanda Gain 2801 89 th St Sturtevant, WI 53177 | David Adam Mattox 12605 W North Ave., #189 Brookfield, WI 53005 |

20. DISPUTE RESOLUTION

In the event a dispute arises out of or related to this Agreement, or the breach thereof, and if said dispute cannot be settled through negotiation, the parties agree first to try in good faith to settle the dispute through mediation, before resorting to litigation.

21. GOVERNING LAW

This Agreement shall be construed under and governed by the Laws of the State of Wisconsin and all services to be provided will be provided in accordance with applicable federal, local state, and local municipal law. This Agreement constitutes the complete, entire and final