

**Memorandum
Community & Economic Development Department**



To: Thomas Thomas, City Manager
Subject: New CIRLF Micro Loan Program
Date: December 2, 2014

At its November 13th meeting the City's CIRLF (Commercial Industrial Revolving Loan Fund) Committee recommended approval of a new Micro Loan Program. This would complement the City's extremely successful standard CIRLF loan program for smaller loan amounts when small businesses are unable to secure funding from traditional resources. The attached flyer details the criteria and conditions for the Micro Loan Program and would be utilized by CED staff as a handout for potential loan applicants to generate interest in the program.

RECOMMENDATION: Approval of the new CIRLF Micro Loan Program as recommended by the City's CIRLF Committee and detailed in the attached flyer.

Submitted by: Jeffery A. Eder, Assistant City Manager / CED Director
Randy Hollerud, Housing & Loan Program Officer

Approved by: Thomas Thomas, City Manager



New CIRLF Micro Loan Program

The City of Rock Island is expanding CIRLF by making micro loans of up to \$10,000 available to the small* business community.

Quick Facts

- Loan interest rates as low as 4%
- Loan term set at 5 years
- Total project cost must be less than \$10,000
- No additional or matching funds required
- Can be used for fixed assets, working capital or emergencies

Qualifications

- ✓ Not to be used as matching or in combination with other funds
- ✓ Business must be located in a commercial building or have a Special Use Permit
- ✓ At least 51% of jobs provided by loan recipient must be held by low-moderate income persons**

Next Steps

- Contact Randy Hollerud, RI Programs Officer, to begin your application process:
Phone: (309) 732-2907
Email: hollerud.randy@rigov.org
- For more information about the City's start-up and business expansion support, visit www.rigov.org and click on *Business*.

The Commercial / Industrial Revolving Loan Fund (CIRLF) loan program provides gap financing for business start-ups or for expansion projects. The program offers low-interest loans to industrial, commercial, light manufacturing, retail, and service industries. Funds can be used toward the purchase of fixed assets (land, building, and equipment), for working capital purposes, and now, for emergencies as part of the expanded program for micro loans.

*Small business is defined as having 50 or fewer employees.

** Low-moderate income as defined by United States Department of Housing and Urban Development (HUD).