



STAFF REPORT

MEETING DATE: January 27, 2025

TITLE:

Consideration and possible action approving Resolution R-2025-0001 approving an agreement with Roscoe Bank to administer the BEDC Revolving Loan Fund Program using donated funds from Roscoe Bank and BEDC funds in the amount of \$30,000 per fiscal year.

AGENDA ITEM SUBMITTED BY:

Dori Kelley, BEDC Business Attraction, Retention, and Expansion Manager

BACKGROUND/HISTORY:

The BEDC Board established a Small Business Loan Program through the generous contribution of Roscoe Bank. On February 27, 2023, the Board approved the Revolving Loan Fund (RLF) Program, funded exclusively by Roscoe Bank's donation, via Resolution R-2023-0003. At the BEDC board meeting of June 26, 2023, the Board approved the expenditure of \$30,000 per fiscal year in matching funds.

The Revolving Loan Fund (RLF) Program supports business retention and expansion, aligning with the core principles of the BEDC.

To enhance the program's structure, staff has been working closely with Roscoe Bank to transition the BEDC's role from loan originator to loan guarantor. Under this revised structure applicants will apply directly to Roscoe Bank.

If necessary, due to credit or other limitations, the BEDC may guarantee the loan by transferring funds to a restricted account that would cover Roscoe Bank in the event of applicant default.

The attached program overview reflects these changes, positioning the BEDC as the primary marketer and guarantor of the program rather than the loan originator. Additionally, Roscoe Bank's legal counsel, alongside the BEDC attorney and staff, has developed a referral agreement between the two parties to clearly define the roles and responsibilities of each entity.

FISCAL IMPACT:

\$30,000 commitment annually by BEDC; \$20,000 from Roscoe Bank received for the last three years and anticipated for the next two years.

RECOMMENDATION:

Approve the attached BEDC program overview, referral agreement between the BEDC and Roscoe Bank, and Resolution R-2025-0001.

ATTACHMENTS:

BEDC Program Overview, Additional Guidelines, and Requirements
Referral Agreement between BEDC and Roscoe Bank
Draft Resolution R-2025-0001