

## **CHAPTER 11**

### **ECONOMIC DEVELOPMENT**

#### **ARTICLE I – C-19 SMALL BUSINESS LOANS**

**11-1-1        PURPOSE.** This Chapter is to create the C-19 Small Business Loan Program to support local businesses during a time of crisis.

**11-1-2        PROGRAM CREATED.**

(A)            The "C-19 Small Business Loan Program" is hereby created and its terms are contained in the "C-19 Small Business Loan Program Fact Sheet" attached hereto and by reference incorporated and identified as Exhibit "A".

(B)            All businesses desiring to apply for a C-19 Small Business Loan shall complete a C-19 Small Business Loan Program Application substantially similar to Exhibit "B" attached hereto and by reference incorporated herein.

(C)            All business applications for C-19 Small Business Loans shall be reviewed by the Mayor and, if approved, applicants shall execute a Commercial Promissory Note substantially similar to Exhibit "C" attached hereto and by reference incorporated herein.

(D)            The Mayor is hereby authorized to approve up to **thirty-two (32)** C-19 Small Business Loans in the amount of **Two Thousand Five Hundred Dollars (\$2,500.00)** each with funds to be drawn from accounts previously identified as "CDAP" funds. No new loans may be made after **July 31, 2020** unless otherwise approved by the Mayor and City Council.

**(Ord. No. 20-03; 04-16-20)**

## **EXHIBIT "A"**

### **CITY OF GIBSON C-19 Small Business Loan Program Fact Sheet In response to the COVID-19 Emergency**

#### **FUNDS ARE LIMITED, AND APPLICATIONS WILL BE PROCESSED BY THE DATE AND TIME DOCUMENTS ARE COMPLETED AND RECEIVED**

**Available to:** Small, for-profit businesses (sole proprietorships, corporations, limited liability and sub-chapter S corporations) located in Gibson City, Illinois that have been in business prior to January 1, 2020 and have 10 or fewer full-time salaried employees.

**Amount:** \$2,500.00

**Terms:** A loan at 0% interest rate. Monthly payments of \$100.00 to commence on the 7-month anniversary of the issuance of the loan.

#### **Requirements:**

- Small businesses are defined as 10 or fewer full-time employees including owner(s) with part-time employees to count as ½ of a full-time employee.
- Businesses must have a physical address in Gibson City, Illinois and must be located in areas zoned as commercial in Gibson City limits.
- Businesses must be deemed as "non-essential" per executive order issued by the Governor of the State of Illinois or must be a bar and/or restaurant that has been affected by the COVID-19 virus emergency order shutdowns.
- Only existing businesses that were open and "in business" prior to January 1, 2020 are eligible.
- Loans must be used for any business expense including rent or mortgage payments, utilities, payroll and other expenses directly related to business operations.
- Only one loan per business owner, partnership or corporation; only one loan for multiple businesses owned by the same person and located in the same building.
- No interest will be charged to businesses who stay current on loan payments; a late fee of \$25.00 will be assessed and charged per month for businesses who are not current on loan payments.
- Loan payments in the amount of \$100.00 will be paid each month to the "City of Gibson" beginning on the 7<sup>th</sup> month from the loan date and end once the loan has been paid in full i.e., if the loan is made on May 1<sup>st</sup> the first loan payment is due no later than November 1<sup>st</sup>.
- Loan applications that do not meet the requirements will be denied.
- An application must be submitted by the business owner and must include the complete business name, business owner name(s), physical address, phone number and email address and must also be signed by the owner(s) who is (are) responsible and liable for the loan payment.
- Loan application forms and City ordinance will be made available at [www.gibsoncityillinois.com](http://www.gibsoncityillinois.com) and on a specific time and date to be announced (tbd).
- Loan applications to be mailed to: City of Gibson, P.O. Box 545, Gibson City, IL 60936.
- The company's owner(s) must agree to a personal guarantee if the loan is awarded.

#### **Application Process:**

- Please make sure you have all necessary documents before sending you application.
- You will be a completed and signed application.
- Please send the completed and signed application to: City of Gibson, P.O. Box 545, Gibson City, IL 60936.
- We will send you a confirmation that your application has been received, and/or you can send your email with a delivery/read receipt.

**EXHIBIT "B"**

**GIBSON CITY  
C-19 SMALL BUSINESS LOAN PROGRAM**

**I. BUSINESS INFORMATION**

Business Name (Legal): \_\_\_\_\_ Business Phone: \_\_\_\_\_

Business Address: \_\_\_\_\_ Gibson City, IL 60936

Industry (Food service, personal care, etc.): \_\_\_\_\_ Business EIN: \_\_\_\_\_

Please provide a brief description of your business. (This should include an overview of the products and services that you provide, customer base, and general operating model):

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How long has your business been in operation? \_\_\_\_\_

What is the legal entity of your business? ☐ Corporation ☐ Sole proprietorship ☐ Other

Do you own 100% of the business? ☐ Yes ☐ No If no, what percentage? \_\_\_\_\_

**II. PRINCIPAL'S PERSONAL INFORMATION**

Full Name: \_\_\_\_\_ Email Address: \_\_\_\_\_

Home Address: \_\_\_\_\_ City, State, Zip: \_\_\_\_\_

Hone Phone: \_\_\_\_\_ Cell Phone: \_\_\_\_\_

**III. APPLICATION QUESTIONS**

Do you have any past due tax liabilities or tax liens? (Not as a result of COVID-19 pandemic) ☐ Yes ☐ No

Are you a U.S. citizen or legal resident? ☐ Yes ☐ No

How many full-time (40 hour a week) employees do you employ? \_\_\_\_\_

How many part-time employees do you employ? \_\_\_\_\_

I have read the City of Gibson C-19 Small Business Loan Program Fact Sheet, understand its requirements, and represent that my business and I meet its requirements and agree to be bound by its terms. ☐ Yes ☐ No

**IV. AUTHORIZATION FOR VERIFICATION OF INFORMATION**

**PLEASE READ CAREFULLY BEFORE SIGNING**

The information contained in this statement is provided to induce the City of Gibson ("City") to extend credit to the undersigned or to others upon the guarantee of the undersigned. The undersigned acknowledge and understand that City is relying on information provided herein in deciding to grant

credit or to accept a guarantee thereof. Each of the undersigned represents, warrants and certifies that the information provided herein is true, correct and complete. Each of the undersigned agrees to notify City immediately and in writing of any changes in name, address, or employment and of any material adverse change (1) in any information contained in this statement or (2) in the financial condition of any of the undersigned or (3) in the ability of any of the undersigned to perform its (or their) obligations to City. In absence of such notice or a new and full written statement, this should be considered as a continuing statement and substantially correct. If the undersigned fail to notify City as required above, or if any of the information herein should be inaccurate or incomplete in any material respect, City may declare the indebtedness immediately due and payable. By signing below, you authorize City to make or have made any credit, employment or investigation inquiry that City determines appropriate. As long as any obligation of the undersigned to City is outstanding, the undersigned shall supply financial information to City as requested.

Principal's signature (1): \_\_\_\_\_ Date \_\_\_\_\_

Principal's signature (2): \_\_\_\_\_

PLEASE FILL OUT AND MAIL YOUR COMPLETE APPLICATION TO:

City of Gibson  
P.O. Box 545  
Gibson City, IL 60936

**INCOMPLETED APPLICATIONS WILL NOT BE CONSIDERED**

For City Use Only:

Date/Time Received:	Date Business Contacted if Incomplete:
Approved:	Declined:
Date Client Notified:	Date Closed:

**EXHIBIT "C"**

**CITY OF GIBSON  
C-19 SMALL BUSINESS LOAN PROGRAM  
COMMERCIAL PROMISSORY NOTE**

\$2,500.00

April \_\_\_\_\_, 2020

FOR VALUE RECEIVED \_\_\_\_\_ (herein termed "Borrower"), promises to pay to the order of the CITY OF GIBSON, ILLINOIS its successors and assigns, (herein termed "Lender"), the principal sum of Two Thousand Five Hundred Dollars (U.S.) (\$2,500.00), or such other amount as is reflected upon the books and records of the Lender, with interest thereon, until paid, plus all of the Lender's expenses (including reasonable attorneys' fees and court costs) incurred in the enforcement and collection of this Note.

Borrowers agree to pay interest on the unpaid balance at the rate of 0% per annum except as otherwise provided herein.

Borrowers agree to pay to Lender, its successors and/or assigns, the unpaid principal balance and interest, in monthly installments of \$100.00 commencing upon the 7-month anniversary of this Note. Said installments shall first apply towards any late charges, then to costs, then to interest and finally to reduce principal. The entire unpaid balance shall be payable in full 31 months after the execution of this Note.

In the event Borrower fails to make a payment within 10 days of its due date, Borrower shall incur a late charge of \$25.00 of the payment. Failure to make any payments within 30 days of any due date shall entitle the Lender to call all sums outstanding to be payable in full and allow Lender to proceed with collections of all sums due under this Note. Either party shall be entitled to recover reasonable attorneys' fees and costs from the other party arising from the other party's default.

This Note shall be governed by the laws of the State of Illinois and enforceable in Ford County, Illinois.

It is agreed that the Lender shall have the right at all times without demand or notice of any kind, to set off, hold, appropriate or apply any balances, credits, deposits, accounts or monies of Borrowers or any indebtedness of Lender to Borrowers, in such order of application as Lender may from time to time elect, as security for, or in payment of this Note or the Indebtedness either before or after maturity.

If more than one party shall execute this Note the term "Borrower" and/or "Borrowers" as used herein shall mean all parties signing this Note whether as maker or endorser and each of them, and all such parties shall be jointly and severally obligated hereunder. The Borrowers hereby waive presentment, demand, protest and notice of dishonor and agrees that each Borrower, if more than one, shall not be released or discharged by reason of any extension, indulgence or release given to any person, or by the Lender's release, sale or non-action with respect to the Collateral or any guaranty or other undertaking securing this Note. If this Note is not dated when executed by the Borrower, Lender is hereby authorized, without notice to the Borrower to date this Note as of the date when the principal balance hereunder has been advanced to the Borrower in whole or in part.

BORROWER:

\_\_\_\_\_

BY: \_\_\_\_\_, its duly authorized Officer

Address: \_\_\_\_\_

**Personal Guaranty**

The undersigned hereby affirm that he/she/they is/are the owner(s) of the foregoing Borrower(s) and that he/she/they will personally benefit from Lender's agreement to make the above loan. To entice Lender into making said loan, the undersigned hereby personally guarantees the performance of Borrower(s) under the terms of the above Note.

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