

CITY OF WASHINGTON

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MEMORANDUM

TO: Finance and Personnel Committee
FROM: Jon R. Oliphant, AICP, Planning & Development Director
SUBJECT: RLF Update
DATE: January 11, 2018

Two current revolving loan fund projects have spent the original \$139,000 that was allocated between USDA (\$99,000) and four city banks (\$40,000). While this has met the requirements set by USDA to expend the Rural Business Development Grant within three years from its approval in late 2015, it has left minimal funds to offer to any prospective businesses looking for assistance with machinery and equipment purchase, working capital, or inventory. There is currently about \$10,300 in the fund, which will continue to increase slightly each month with the payments from Plaza Lanes and IVP.

Following the August Finance and Personnel Committee meeting, staff contacted the four banks that did not contribute to the original RLF to determine if they would now be interested in offering financial assistance. Of those four, three have indicated that they would not be able to contribute. The fourth is awaiting the completion of a merger before they may be able to commit.

The FY 17-18 budget has a \$25,000 line item for "Business District Redevelopment/Marketing Plan." Staff has considered instead utilizing this same amount in FY 18-19 towards the RLF. By May 1, the fund figures to have approximately \$16,400 and the addition of \$25,000 would re-establish a healthy balance to offer to any prospective businesses looking to grow.

General discussion is scheduled for the January 16 Finance and Personnel Committee meeting to receive input on this transfer as part of the FY 18-19 budget process.