

CITY OF WASHINGTON

PLANNING & DEVELOPMENT DEPARTMENT

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MEMORANDUM

TO: Mayor Manier and City Council
FROM: Jon R. Oliphant, AICP, Planning & Development Director
SUBJECT: RLF Supplemental Funding Update
DATE: January 31, 2018

Summary: Staff seeks authorization to utilize \$25,000 currently part of the FY 17-18 budget towards the City's revolving loan fund instead of through a line item for "Business District Redevelopment/Marketing Plan."

Background: 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 towards the RLF in order to offer a more substantial sum towards potential projects. The fund is growing by about \$1,500 per month and adding \$25,000 to the RLF will make for a healthier fund.

The Finance and Personnel Committee discussed this at its meeting on January 16 and unanimously recommended that these budgeted funds be utilized as part of the RLF. Staff requests approval of this at the February 5 City Council meeting.