



CITY OF WASHINGTON, ILLINOIS

Committee of the Whole Agenda Communication

Meeting Date: February 9, 2026

Prepared By: Jon Oliphant, AICP, Planning & Development Director

Agenda Item: Request to Release Federal Interest of USDA Grant

Explanation: The City received a Rural Business Development Grant in 2015 from the US Department of Agriculture Rural Development (USDA-RD) in an amount of \$99,000 to establish a revolving loan fund (RLF). This grant was leveraged with an additional pledge of \$40,000 from four city banks. Two loans were made within the first three years of the RLF with Plaza Lanes and IVP Plastics. Those loans expended the original grant amount and both businesses have fully paid the loans. The RLF can be utilized for non-construction improvements such as inventory, working capital, and machinery and equipment that can allow for business growth.

Any loans within the original grant amount required the review and approval by USDA-RD. Now that the funds have been utilized, USDA-RD staff has asked if the City would like to relinquish the federal interest in any future RLF loans. This requires the approval of a resolution that also states that the City would continue to utilize the RLF for economic development purposes.

Fiscal Impact: There is no fiscal impact as a result of the approval of such a resolution. The RLF currently has approximately \$185,000 available and staff hopes other City businesses will utilize some of these funds in the near future.

Action Requested: While there would not figure to be any objection to relinquishing any federal interest in future RLF loans, staff is providing this for informational purposes prior to scheduling a resolution for approval at the February 16 City Council meeting.