



CITY OF WASHINGTON, ILLINOIS

City Council Agenda Communication

Meeting Date: February 16, 2026

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

Agenda Item: Resolution – 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: Approval of the attached resolution at the February 16 City Council meeting.

RESOLUTION NO. _____

(Synopsis: Adoption of this resolution would remove United States Department of Agriculture Rural Development's federal interest in the City of Washington's revolving loan fund and commit to the continued use of the funds for economic development purposes.)

A RESOLUTION AUTHORIZING THE RELEASE OF FEDERAL INTEREST BETWEEN THE CITY OF WASHINGTON AND THE UNITED STATES DEPARTMENT OF AGRICULTURE – RURAL DEVELOPMENT FOR THE RURAL BUSINESS DEVELOPMENT GRANT

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WASHINGTON, TAZEWELL COUNTY, ILLINOIS, that:

Section 1. The City of Washington received a Rural Business Development Grant (RBDG) from the United States Department of Agriculture – Rural Development (USDA-RD) to establish a Revolving Loan Fund (RLF) in 2015. A Grant Agreement was executed to establish the parameters of the utilization of those funds, and the City has complied with the conditions of the Grant Agreement.

Section 2. All grant funds have been expended, and the City now desires to release the USDA-RD's federal interest in the RLF.

Section 3. The City desires to and hereby commits to continue utilizing the RLF funds for one or more activities that carry out the economic development purposes of the RBDG.

Section 4. The Mayor and the City Clerk are hereby authorized and directed to request that the USDA-RD release the USDA-RD's federal interest in the RLF and to take such further and other action and execute such documents as may be necessary to release the USDA-RD's federal interest in the RLF in accordance with and in furtherance of this Resolution.

Section 5. That this Resolution shall be in full force and effect from and after its passage and approval by the City Council.

PASSED AND APPROVED this _____ day of _____, 2026.

AYES _____

NAYS _____

Mayor

ATTEST:

City Clerk