

The Holton Chamber of Commerce Revolving Loan Fund

Guidelines

2018

ESTABLISHED: Formally known as The Holton Main Street Revolving Loan Fund, was established in January 2009 from a Joint Opportunity For Building Success (JOBS) Grant in the amount of \$25,000. The grant was secured by the Holton National Bank, Holton, Kansas, through the Federal Home Loan Bank. In 2018, the Holton/Jackson County Chamber of Commerce took the program over and it now administered through the Holton/Jackson County Chamber of Commerce.

ADMINISTRATION: The grant is administered by Holton/Jackson County Chamber of Commerce, a nonprofit corporation, and the Holton Chamber of Commerce Loan Committee.

AVAILABLE FUNDS: The Holton Chamber of Commerce Revolving Loan (HCCRL) grant of \$21,000 was deposited in a new investment account, the Holton Chamber of Commerce Revolving Loan Fund, at the GNBANK.

INTENT: The purpose of the HCCRL is to provide zero interest loans to property and/or business owners in the designated Holton city limits who will use the funds for economic development and/or historic preservation. The results of the private investment is to create new employment opportunities; save existing jobs; provide more products and services; develop and strengthen new and existing businesses; purchase, restore, and preserve historic properties; and create a stronger tax base in the designated Holton city limits.

LOAN TERMS: The minimum HCCRL amount is \$1,000, and the maximum HCCRL amount is \$5,000. The applicant shall not have more than \$5,000 in outstanding loan balances with the program at any given time. The HCCRL provides the loan at a zero (0) percent interest.

FUND AMOUNT: The loan amount approved by the HCCRL Committee may be less than the amount requested by the applicant.

LOAN PERIOD: The period of the loan shall not exceed thirty-six (36) months or three (3) years.

MATCH REQUIRED: There is a minimum cash match of 1:1 private investments to the HCCRL funds. (There must be \$1.00 of private investment for every \$1.00 of Loan Funds in the project). *Non-cash or in-kind match is not allowable. Additional consideration may be given to applicants providing more than the minimum match requirements.

APPLICATION DELIVERY: Applications can be filled out by completing the form below and attaching all necessary documents. You can also download and print all files and deliver or mail to:

Lori Banks, Chamber Director
Holton/Jackson County Chamber of Commerce
118 E 5th St.
Holton, KS 66436

BOARD APPROVAL: Application for the HCCRL shall be reviewed and recommended for approval by the HCCRL Committee, and shall be approved the HCCRL Committee, and upon approval of the committee, shall be signed by the Chamber Director.

PROJECT DEADLINES: After application has been approved, the work on the authorized project shall begin within ninety (90) days and shall be completed within twelve (12) months of approval of loan.

APPLICANT ELIGIBILITY: Only an applicant who owns property or owns a business in the designated Holton city limits may apply for a HCCRL. Eligible applicants must complete and submit the HCCRL application to the Holton/Jackson County Chamber of Commerce.

ELIGIBLE USE OF LOAN: (1) The loan may be used for the acquisition and/or restoration of property in connection with private investment in the designated Holton city limits. (2) The loan may be used for a project that can be shown to lead directly to private investment, job creation or retention, establishing and/or expanding viable businesses, and/or creating a stronger tax base.

SPECIAL PERMITS OR LICENSE: The local business or project is responsible for obtaining any required permits and/or licenses from the city of Holton and/or from Jackson County.

PROJECT RECORDS: Project must be completed as proposed. Reporting records on the progress and outcome of the project will be required and shall be turned in as outlined by the HCCRL Committee upon the approval of the application.

PROJECT OVERSIGHT: The HCCRL Committee and Chamber Director will oversee the project to assure the HCCRL Committee members that the project is started within the ninety (90) days of approval of the application, meets the project requirements, and is completed within the one (1) year requirement.

FUND DISBURSEMENT: Funds will be distributed to the applicant after documentation has been received to verify that the funded project has been started.

LOAN PAYMENT: The first loan installment shall be due on the 15th of the month following distribution of loan proceeds to the applicant.

DEFAULT ON LOAN: Any principal amount not paid within 10 calendar days of the due date will be assessed a 2% penalty on the outstanding loan balance as a late fee. Late fees will be due and payable at the maturity of the loan as an addition to the final loan payoff amount.

If the loan is past due over 60 days, then the entire indebtedness may be considered due and payable.

INELIGIBLE USE OF FUNDS:

- Public improvements
- Public or private infrastructure
- Projects previously started or completed
- Projects not meeting the minimum private investment match
- Projects not leading directly to private investment, job creation, or retention
- Projects not leading to a sound business or creating a stronger tax base
- Projects not leading to restoring or improving historic properties
- Projects cannot include training expenditures, salaries, or wages
- Projects cannot include the costs or permits, licensing, insurance, taxes or other expenses considered to be a cost of doing business
- Projects outside the boundaries of the Holton city limits
- Projects not meeting the HCCRL design criteria
- Projects to develop or restore first floor housing in a commercial building
- Other projects that may not have been stated herein

UNDERWRITING: Underwriting could take up to 30 days.