



The Mayor and Commissioners of the Town of Elkton

Resolution R7 - 2015

A RESOLUTION of the Mayor and Commissioners of the Town of Elkton establishing a *"Small Business Loan Guarantee Program."*

WHEREAS, the Mayor and Commissioners ("Board") have determined that in concert with promoting commercial economic development and providing financial assistance to the development, expansion, and retention of businesses within the town, the Board may provide a guarantee for a bank loan if used exclusively by the applicant for acquiring real property within the corporate boundaries of the Town of Elkton for business development purposes; and

WHEREAS, the Board has determined that a bank loan guarantee program by the Town of Elkton will provide an incentive for banks to loan money to applicants who might otherwise not qualify for a loan; and

WHEREAS, the Board has further determined that bank loan guarantees will result in the development of underutilized properties in areas zoned for business development and enhance the success of existing businesses in these zones and within the Elkton business community.

NOW, THEREFORE, the Mayor and Commissioners of the Town of Elkton hereby resolve the following:

1. That the Town of Elkton *Small Business Loan Guarantee Program* ("Program") shall hereby be created and established for the promotion of economic development within the boundaries of the Town of Elkton where zoning districts permit business development, inclusive of the Central Business District (C-1), Highway Commercial District (C-2), Highway Interchange Commercial District (C-3), Town Center District (TC), and Business and Industrial District (BI); and
2. That in order to qualify for a bank loan guarantee under the Program, an applicant must apply for a loan to a bank located in the town and agree, in conjunction with the bank's due diligence process, to consent to the bank's disclosure of any and all financial and related information pertaining to the loan application to the Town of Elkton; and
3. That the loan shall be intended for the purchase of real property located in the Town of Elkton's aforementioned business districts and the amount of the loan shall not exceed One Million Dollars (\$1,000,000) for any single project; and

4. That the business activity created in conjunction with the purchase of a property be initiated within six (6) months from the date of the loan approval and disbursement of loan funds and progress reports shall be submitted to the Town quarterly until the business is fully operating; and
5. That for a bank loan guarantee for an amount up to, but not exceeding, One Hundred Thousand Dollars (\$100,000), it shall be required by the Program that a minimum of one (1) permanent job shall be created or retained by the business; and
6. That for a bank loan guarantee for an amount exceeding One Hundred Thousand Dollars (\$100,000), it shall be required by the Program that a minimum of two (2) permanent jobs shall be created; and
7. That any individual bank loan guarantee under the Program shall not exceed five (5) years, unless otherwise approved by the Board; and
8. That a bank loan guarantee under the Program shall be subject to the approval of the Board; and
9. That a guarantee fee of one percent (1%) of the guaranteed loan amount shall be payable to the Town of Elkton; and
10. That certain business activities not permitted by the Code of the Town of Elkton and the Elkton Zoning Ordinance shall not be eligible for a bank loan guarantee under the Program; and
11. That the maximum amount of outstanding bank loan guarantees under the Program shall not exceed Four Million Dollars (\$4,000,000); and
12. That the Board shall develop, maintain, and amend, as necessary, a plan to effectively administer the Program.

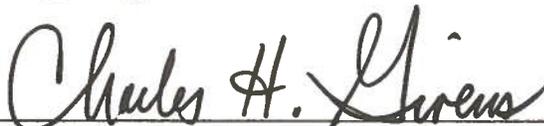
THIS RESOLUTION READ AND PASSED THIS 8TH DAY OF JULY, 2015.

Attest:

 Lewis George, Town Administrator

The Mayor and Commissioners
 of the Town of Elkton


 Mayor Robert J. Alt


 Commissioner Charles H. Givens, Sr.


 Commissioner Mary Jo Jablonski


 Commissioner Earl M. Piner, Sr.

 Commissioner Daniel R. VanReenen, Jr.