

MONTGOMERY DEVELOPMENT FUND PROGRAM SUMMARY

The Montgomery Development Fund (MDF) was established to provide financial support to new or expanding business in the Village, and;

- To encourage economic development by supporting projects that create or retain jobs; and,
- To encourage area financial institutions to work with the Village and to utilize MDF programs to better serve its customers and Montgomery; and,
- To support projects and investments that protect and expand the tax base.

MDF capital will initially be used to fund two programs--the Forgivable Loan Program and the Low Interest Loan Program.

The **Forgivable Loan Program** will be capitalized by approximately one-third of available funds and is focused on retail and commercial businesses located in the corridor identified on Attachment A. Satisfaction of program requirements will result in forgiveness of the loan.

Activities that could be funded through this program include

- Painting
- Window and/or door repairs or replacement
- Restoration of historic or architectural details
- Signage
- Landscaping

More detailed information regarding eligible activities, program requirements and the review process are included in the program guidelines and application materials

The **Low Interest Loan Program** will be capitalized with the balance of available funds and can be used for retail, commercial, industrial, and manufacturing or distribution center projects. The interest rate will be fixed for the term of the loan and may vary as a function of the amount, equity, security and purpose of the loan. Activities that could be funded through this program include

- Acquisition of land, building or fixed assets
- Site preparation, construction or rehabilitation of commercial or industrial buildings
- Clearance, demolition, removal of buildings and improvements
- Purchase and installation of machinery and equipment
- Construction of water and sewer lines in support of job creation or retention

More detailed information regarding eligible activities, program requirements and the review process are included in the program guidelines and application materials.

Projects approved for either the Forgivable Loan Program or the Low Interest Loan Program must be located in the corporate limits of the Village of Montgomery or which are determined to principally benefit the Village.

The following categories of businesses are ineligible for either the Forgivable Loan Program or the Low Interest Loan Program

- Self-storage min-warehouse facilities
- Automatic or self-service coin operated car wash
- Automobile storage yard
- Commodity scrap processing
- Package liquor store
- Recycling facility
- Cash advance, pay day loan and title stores
- Adult entertainment venues including adult bookstores

A non-refundable \$250.00 application fee will be required for processing each application and is payable at the time of application submission.

The application process can be initiated by contacting the Office of Community Development at the Village Hall.

Potential applicants are encouraged to meet with the Director of Community Development, or his designee, to discuss the project prior to assembling an application package.

The Office of Community Development staff will contact the local conventional lenders to provide them information about the programs and to encourage their participation and involvement with this effort.

The Community Development staff will be available to assist applicants with preparation of application materials.

The Village President, with advice and consent of the Village Board will establish and maintain a knowledgeable and active MDF Loan Fund Committee. Committee members may include bankers, business owners and operators, financial advisors, accountants, attorneys and community members. The Montgomery Economic Development Corporation will be represented on the Loan Fund Committee.

The Village Finance Director will be responsible for reporting the status of all loans to the Village Administrator on a monthly basis. The Village may enter into an agreement with a third party for loan servicing and if it does, that contractor will report the status of all loans to the Village Administrator on a monthly basis.

An annual audit of the MDF will be completed as a part of the Village's annual municipal audit