



City Cares

OMRO BUSINESS LOAN PROGRAM

Policy Guidelines

- I. **PURPOSE:** The City’s intent in establishing this loan fund is to provide financial assistance for mortgage, rent and/or utilities for business owners in the City of Omro that have been adversely affected and/or required to shut down in response to the Covid-19 pandemic.

- II. **OBJECTIVES:** The Covid-19 Business Relief Loan Program has the following objectives.
 - A. To allow impacted businesses to continue to pay rent, mortgage and utilities using a 0% loan from the City.
 - B. To lessen the financial impact that the Covid-19 pandemic and associated “Safer at Home” order from the Governor has caused to local businesses.
 - C. To retain jobs and bring additional employment opportunities to the City.
 - D. To make use of funds the City has in the Emergency Fund Balance Reserve which was set by city policy and determined by the City auditors, which are deemed an asset of the City above the reserve policy threshold.
 - E. To spur activity which may not otherwise have occurred and protect businesses from closure.

- III. **APPLICANT ELIGIBILITY:**
 - A. General Purpose:

The Covid-19 Business Relief Loan Program will be available to businesses within the City of Omro that have a physical presence within the City and have been negatively impacted by the Covid-19 pandemic.

 - B. Applicant Eligibility:
 1. Applicants must have a physical location within the City of Omro apart from the owner’s primary residence.
 2. Applicants must have had a signed lease or physical presence within the City prior to Governor Evers declaring a Public Health Emergency due to Covid-19 on March 12, 2020.
 3. Applicants must have suffered a negative financial impact from the Covid-19 pandemic
 4. Applicants who are delinquent with their property or personal tax, utility payments, or have outstanding municipal code violations prior to March 1st may not be eligible until said issues are resolved.

 - C. Non-Eligible Businesses:

1. Home occupations that have no physical presence within the City other than the owner's primary residence.
2. Property management and/or residential property rental businesses if seventy-five percent (75%) or more of the company's revenue is from the management and/or rental of residential properties.
3. Businesses that did not have a signed lease or physical presence prior to March 12, 2020.
4. Businesses that have not and/or will not suffer a negative financial impact from the Covid-19 pandemic.
5. Transient business such as vendors and food trucks.

IV. PROGRAM TERMS & CONDITIONS:

A. General Requirements

1. Applicants must include a description of the type of business conducted, including the address of the physical presence within the City of Omro. If the applicant owns the real property within the City of Omro on which it conducts business, the applicant must include that information in the application.
2. Applicants must submit a description of how it has been and/or will be negatively affected by the Covid-19 pandemic.
3. The City Administrator may require additional information regarding the operation of businesses, including requesting proof of operation such as tax returns, business licenses, or other financial statements proving hardship if deemed necessary.
4. Applicants will be asked to provide proof of lease amount due, mortgage payment or actual utility bills if requested.

B. Approval Authority

1. A committee made up of the City Administrator, the Economic and Community Development Director, the Mayor and one Councilperson (the Committee) will have the ultimate authority to approve or deny applications on a case-by-case basis and may impose certain use conditions on approved loans.
2. Any applicant aggrieved by a decision of the Committee regarding a loan application may appeal said decision to the entire Common Council.

C. Expiration

The Covid-19 Business Relief Loan Program will expire if one of the following occurs:

1. When the pre-authorized funds, which amount to \$50,000, have been expended, unless additional funding has been authorized by the City Council.

2. When the City Council chooses to eliminate or amend the program.

V. LOAN TERMS: All loans granted under this program shall be subject to the following terms and conditions:

- A. The maximum loan shall be \$2,500 per business.
- B. The loan shall be at 0% interest.
- C. One half of the total loan shall be due within two (2) years of the date the Promissory Note is signed by the Business, and the other half of the loan will be due within three (3) years of the date the Promissory Note is signed by the Business. The full balance of the loan shall be due upon the sale of the Business' real property that it owns within the City if prior to the due dates.
- D. The loan may not be assigned without the express written consent of both parties. The loan may be prepaid in whole or in part at any time.
- E. Project participation may be limited based on the availability of program funds.
- F. Repayment of the loan shall be subject to a personal guaranty by the owners of the business.
- G. Failure to pay the loan by the due dates may result in non-issuance of city licenses and permits.

VI. COVID-19 BUSINESS RELIEF LOAN PROGRAM PROCEDURES:

- A. The Committee shall prioritize mailing out of loan applications by mailing to closed businesses due to COVID-19 first, downtown businesses second, all other commercial businesses third and industrial businesses fourth, depending on availability of funds. Loans will be reviewed on the due date based on need. If need is equal, loans will be given on a first come/first served basis.
- B. Applicant submits loan application to City Administrator containing all of the requirements specified in these guidelines.
- C. The Committee reviews application and approves or denies loan request. If approved, conditions may be placed on the use of loan funds.
- D. If denied, applicant may submit a revised application and repeat process or may appeal the denial to the Common Council.
- E. A Promissory Note and Personal Guaranty must be signed by the applicant.
- F. After application is approved, the Data Processing Manager shall mail the loan proceeds to the applicant.
- G. The committee shall inform council of the status of loan funds and loans given in a confidential manner.