



Economic Development Loan Program

Overview

The Quincy Economic Development Loan program was created in 1984 to preserve and promote the Quincy economy by providing financial incentives that will encourage private investments for new and expanding businesses, resulting in the creation and/or retention of jobs. From 1984 through December of 1999, 55 businesses of all sizes have been assisted with 79 loans totaling nearly \$25 million.

Eligible Businesses

Any new or expanding manufacturing business, distributing, warehousing, packaging and processing facilities, office industries (including corporate, professional and technical) that create or retain permanent jobs and demonstrate a significant payroll and other long-term economic benefits to the Quincy area.

Types of Loans

Participation Loan

A financial institution must participate with a matching term loan

Link Deposit Loan

The city makes discounted deposits with the participating bank, allowing the bank to lend directly to the borrower at below market rates.

Loan Guarantees

Makes financing available by guaranteeing repayment of the principal for loans made with a bank.

Use of Proceeds

Eligible activities for assistance include:

- Land and/or building acquisition
- Structural rehabilitation
- Expansion
- Machinery and equipment
- Furniture and fixtures
- Working capital

The loan may not be used to service or refinance any existing debt.

Loan Terms

Loan terms/rates are determined by agreement between the participating lender and the city on a case-by-case basis. Loans would be structured to provide the borrower a lower blended rate.

Loan Security / Collateral

Loans must be secured by collateral sufficient enough to assure repayment. Acceptable security could include: a mortgage on land, building and/or equipment; and in some projects, assignment of warehouse receipts and accounts receivable. A personal guarantee from each major principal in the company is a requirement. A life insurance policy matching the city's loan and naming the City of Quincy as beneficiary is required from each major principal in the company.

Origination and Service Fee

An origination fee of 1.5% of the loan principal is due on the date of the loan closing. In addition, an annual service fee of .5% is assessed on the declining principal outstanding on the anniversary of the loan. These apply to all loans.

For More Information

Additional information and application forms may be obtained from:

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