

**ORDINANCE NO.        2861**

**AN ORDINANCE AUTHORIZING A LOCAL BUSINESS LOAN PROGRAM TO HELP  
OFFSET THE ANTICIPATED ECONOMIC HARDSHIPS CAUSED BY COVID-19 IN  
THE VILLAGE OF NEW LENOX, WILL COUNTY, ILLINOIS**

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**WHEREAS**, the Corporate Authorities of the Village of New Lenox, Will County, Illinois, have the authority to adopt ordinances and to promulgate rules and regulations that pertain to its government and affairs and protect the public health, safety, and welfare of its citizens; and

**WHEREAS**, in late 2019, a new and significant outbreak of Coronavirus Disease 2019 (“COVID-19”) emerged in China; and

**WHEREAS**, COVID-19 is a novel severe acute respiratory illness that can spread among people through respiratory transmissions and present with symptoms similar to those of influenza; and

**WHEREAS**, Governor JB Pritzker issued a disaster proclamation on March 9, 2020, declaring all counties in the State of Illinois a disaster area under the Illinois Emergency Management Agency Act (20 ILCS 3305/7); and

**WHEREAS**, since March 9, 2020, Governor Pritzker has issued five executive orders related to COVID-19, the effects of which include, *inter alia*, (i) a prohibition against public and private gatherings of more than fifty (50) people (Exec. Order 2020-07, §2), (ii) a suspension of any and all business activities related to the provision of food or beverages for on-premises consumption (Exec. Order 2020-07, §1), and (iii) the closing of most public and private schools (Exec. Order 2020-05, §1; Exec. Order 2020-06, §1); and

**WHEREAS**, while the above-described prohibitions appear to be calculated to slow the spread of COVID-19 and to protect the public from the health risks created thereby, the Corporate Authorities have determined that they are likely to also have substantial, unintended, negative consequences for local businesses, particularly those in the food preparation and service industries; and

**WHEREAS**, the Corporate Authorities have determined that any economic hardship experienced by local businesses is likely to have broader negative consequences for the Village and its citizens if local businesses are forced to close or terminate employees; and

**WHEREAS**, the Corporate Authorities of the Village have determined that it is necessary and expedient for the Village to help alleviate the economic hardships experienced by local businesses by helping such businesses secure short-term loans; and

**WHEREAS**, pursuant to Section 2-3-8 of the Illinois Municipal Code (65 ILCS 5/2-3-8), the Corporate Authorities have authority to enter into contracts in the name of the Village for any appropriate public purpose; and

**WHEREAS**, pursuant to Section 8-1-2.5 of the Illinois Municipal Code (65 ILCS 5/8-1-2.5), the Corporate Authorities may appropriate and expend funds for economic development purposes and make grants to any commercial enterprise that are deemed necessary or desirable for the promotion of economic development within the Village; and

**WHEREAS**, the Village is a home rule municipality, vested with all of the rights, privileges, and powers set forth in Section 6 of Article VII of the Constitution of the State of Illinois (ILL. CONST. ART. VII, §6); and

**WHEREAS**, the Corporate Authorities have determined that it is in the best interests of the Village and its citizens to establish a Local Business loan program to permit the Village to lend money to local businesses so as to support them during this time of emergency and disaster; and

**WHEREAS**, the Corporate Authorities have determined that establishing a Local Business loan program to support local businesses during the current crisis is necessary and desirable for the promotion of economic development within the Village.

**NOW THEREFORE, BE IT ORDAINED BY THE CORPORATE AUTHORITIES OF THE VILLAGE OF NEW LENOX, WILL COUNTY, ILLINOIS, PURSUANT TO ITS HOME RULE AND STATUTORY AUTHORITY, AS FOLLOWS:**

**SECTION 1.** The Corporate Authorities hereby find that all of the recitals contained in the preamble to this Ordinance are true, correct, and complete and are hereby incorporated by reference hereto and made a part hereof.

**SECTION 2.** That the Corporate Authorities of the Village hereby establish the New Lenox Local Business Loan Program (the “Loan Program”), as follows:

1. **AUTHORITY.** The Corporate Authorities of the Village shall have the power to make loans to Local Businesses operating within the corporate boundaries of the Village. The Corporate Authorities of the Village may further partner with any qualified banking or lending institution as necessary to make or secure loans for Local Businesses, which partnership may include, but is not limited to, underwriting, review of financial information, recommendations as to creditworthiness, etc.
2. **DEFINITION OF “LOCAL BUSINESS.”** For the purposes of this Loan Program, the phrase “Local Business” means any registered for-profit business that has its primary business location within the corporate boundaries of the Village.
3. **ELIGIBILITY.** In order to be eligible for a loan pursuant to this Loan Program, an applicant must:
  - a. Be a Local Business, as defined herein.

- b. Provide the Village (and/or bank or lending institution working in partnership with the Village) with any and all financial records and other records necessary and sufficient to:
    - i. Demonstrate creditworthiness immediately prior to the COVID-19 crisis; and
    - ii. Establish a loss in revenue when compared to pre-COVID-19 revenues; and
    - iii. Establish the applicant's average weekly revenues from the fourth (4<sup>th</sup>) quarter of 2019.
  - c. Execute a promissory note and loan agreement in a form satisfactory to the Village (and/or any bank or lending institution working in partnership therewith) and in full compliance with this Ordinance.
4. **LOAN PREFERENCES.** To the extent that funds are available, the Corporate Authorities of the Village may grant loans based upon the following preferences:
- a. First preference for loans shall be given to eligible Local Businesses whose operations have been curtailed or shut down by any order of the State of Illinois or the Federal Government.
  - b. Second preference for loans shall be given to businesses that have not been shut down or had operations curtailed but have otherwise been directly and negatively impacted by the COVID-19 crisis.
  - c. As between eligible Local Businesses that fall into the same preference category (*supra*), the Corporate Authorities shall further prioritize eligible Local Businesses as follows:
    - i. First priority shall be for independently owned and operated businesses with only one location.
    - ii. Second priority shall be for independently owned and operated businesses with more than one location.
    - iii. Third priority shall be for independently owned franchises with less than three franchise locations.
    - iv. Fourth priority shall be for any and all other eligible Local Businesses.
5. **LOAN AGREEMENT, TERMS:** No loan shall be made to any Local Business unless and until such business executes a promissory note and loan agreement, which may or may not include security, that provides, at a minimum, for the following:

- a. The Local Business agrees that it will return its staffing levels to the level that existed immediately prior to the COVID-19 crisis as soon as practicable after the termination of Governor Pritzker's March 9, 2020, disaster proclamation; and
  - b. The Local Business agrees it will re-hire any and all employees as may be laid off or otherwise terminated on account of the COVID-19 crisis as soon as practicable after the termination of Governor Pritzker's March 9, 2020, disaster proclamation; and
  - c. The Local Business agrees that all funds received pursuant to this Loan Program shall be used exclusively for the purposes of payroll, accounts payable, and other bills that cannot otherwise be paid on account of the COVID-19 crisis; and
  - d. The Local Business agrees that under no circumstances shall any funds received pursuant to this Loan Program be used for any capital expenditure; and
  - e. The Local Business agrees that all funds received pursuant to this Loan Program shall be repaid in full on or before April 30, 2021; and
  - f. The Local Business agrees that interest on the loan principle shall be in an amount equal to the lowest applicable rate for Village deposits at the time the loan is issued; and
  - g. The Local Business agrees to any additional terms and conditions as may be required with any bank or lending institution working in partnership with the Village.
6. **LOAN AMOUNT.** The amount of any loan pursuant to this Loan Program shall not exceed two weeks of the Local Business's average weekly revenue from the fourth (4<sup>th</sup>) quarter of 2019 unless the Corporate Authorities of the Village determine that extraordinary circumstances exist that necessitate a loan amount in excess of two weeks of average weekly revenue.
7. **SUSPENSION OF PROGRAM.** Upon any extension of Governor Pritzker's Executive Order No. 2020-07 (COVID Order No. 5) limiting the activities of businesses that offer food or beverages for on-premises consumption beyond March 30, 2020; in the event of further Illinois executive orders limiting any other businesses for a longer period of time; in the event of a Federal Order that limits business activities for Eligible Businesses for more than two weeks; or in the event of any other unforeseen circumstances that justify suspension, as determined by the Corporate Authorities, this Loan Program will be suspended until further action of the Corporate Authorities.

**SECTION 3.** In the event that any provision or provisions, portion or portions, or clause or clauses of this Ordinance shall be declared to be invalid or unenforceable by a Court of competent jurisdiction, such adjudication shall in no way affect or impair the validity or enforceability of any of the remaining provisions, portions, or clauses of this Ordinance that may be given effect without such invalid or unenforceable provision or provisions, portion or portions, or clause or clauses.

**SECTION 4.** That all ordinances, resolutions, motions, or parts thereof, conflicting with any of the provisions of this Ordinance, are hereby repealed to the extent of the conflict.

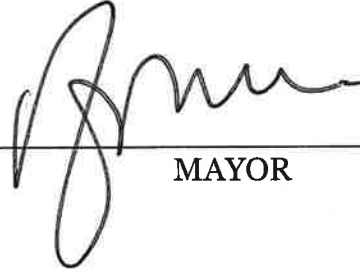
**SECTION 5.** That the Village Clerk is hereby directed to publish this Ordinance in pamphlet form.

**SECTION 6.** That this Ordinance shall be in full force and effect from and after its passage, approval and publication in pamphlet form as provided by law.

PASSED THIS 23<sup>rd</sup> day of March, 2020  
with 7 members voting AYE, with -0- members voting NAY,  
and with -0- members ABSENT, the Mayor voting aye; and said  
vote being, BOWDEN aye, BUTTERFIELD aye, FINNEGAN  
aye, HOWARD aye, MADSEN aye, and  
SMITH aye.

  
VILLAGE CLERK

APPROVED this 23<sup>rd</sup> day of March, 2020.

  
MAYOR

ATTEST:

  
VILLAGE CLERK