



## STAFF REPORT

AGENDA ITEM #: 21-88  
COUNCIL MTG. OF: July 20, 2021  
FROM: Dave Caron, Town Administrator  
OFFERED BY: Administration  
PREPARED BY: Administration  
SUBJECT: Derry Revolving Loan Program Sunset Provision

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### INTRODUCTION:

To seek Council approval to sunset the COVID-19 Emergency Loan provisions for the Derry Revolving Loan Program as approved by the Council under Resolution #2020-026.

### TOWN ADMINISTRATOR COMMENTS

Please see comments within this staff report.

### BACKGROUND

The Town Council has partnered with the Regional Economic Development Center (REDC) for the past decade to grant and manage loans to Derry businesses. The loans granted through this program originate with a review by REDC and then are acted upon by REDC's 11-member Bank Credit Committee; the Committee's recommendations are then formally approved by the REDC Board of Directors.

The Town Council has been very proactive with supporting the Derry business community; that support has accelerated as the economic ramifications of COVID-19 became clear. The Council subsequently adopted Resolution #2020-026, which provided emergency loans under relaxed lending and repayment provisions to further assist Derry businesses.

### DISCUSSION

The local and state economies have shown marked improvement in recent months, rebounding from the impacts of COVID-19 in a manner which leads the nation. Additionally, there remains a significant number of state and federal assistance programs to further support businesses who positions in the marketplace required greater recovery efforts. Consequently, there no longer remains a demonstrable need for the Town to extend preferable terms to potential clients of the Derry Revolving Loan Fund. Thus, staff recommends that the emergency terms approved under Resolution #2021-026 no longer be offered to new applicants of the program and that the program return to pre-Pandemic terms, conditions and requirements.

FISCAL IMPACT

The program would return to its original terms whereby all principal repayments and ½ of the interest earned would be deposited back into the Loan Fund for future loans.

RECOMMENDED ACTION BY COUNCIL

Adopt Resolution #2021-043 (Please read the Resolution).

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