

**MADISON COUNTY COMMUNITY DEVELOPMENT  
INFRASTRUCTURE LOAN PROGRAM  
APPLICATION GUIDE**

**Summary:**

Madison County has designated Madison County Community Development to administer the Infrastructure Loan Program. This loan program provides financing to local governments to build or purchase needed infrastructure and equipment. Loans are provided to local governments in Madison County at 3% interest for projects that qualify as either (1) Health & Safety Projects, or (2) Economic Development Projects. This program has already been used by many local governments to extend sewer and water lines, purchase fire trucks, and to purchase necessary equipment. The amount loaned is based on the total cost of the project, the public benefits provided by the project, and the local government's financial condition and needs.

**Eligibility Criteria:**

The local government must demonstrate that the proposed project qualifies as either a Health and Safety project or an Economic Development project.

Health and Safety projects are those where public infrastructure or equipment is needed to address a public health or safety issue that is negatively impacting a community.

Economic Development projects are those that result in private sector investment within a community and create or retain permanent jobs. As a general rule, for each \$10,000 loaned for Economic Development projects, at least one private sector job must be created or retained as a result. Projects that encourage the relocation of an existing company from one Madison County municipality to another are not eligible unless the company would also significantly expand its employment levels.

**Eligible Projects:**

Loan funds can be used for public improvements such as: constructing local roads, streets, access roads, bridges, sidewalks; water and sewer line extensions; sewer repair equipment; water distribution facilities; rail improvements; gas and electric utility extensions; the development or improvement of publicly owned industrial or commercial sites; demolition activities; senior citizen and community centers; fire stations and equipment, emergency and rescue equipment; street lighting; water drainage projects; park and recreational facilities; and other public facilities projects.

**Ineligible Projects:**

Loan funds may not be used for construction of facilities or purchasing items used for the general conduct of government. Ineligible projects include those associated with operating or maintaining public facilities or services including: filling pot holes in streets; repairing cracks in sidewalks; maintaining sewer and water facilities; mowing recreational areas; and replacing street light bulbs. Additionally, salaries for staff, utility costs and similar expenses necessary for the operation of public works and facilities are not eligible costs.

**Interest Rate and Term of Loans:**

Loan funds are provided to local governments at 3% interest for terms typically not exceeding 7 years. The term for each project depends on the fiscal capacity of the local government.

**Repayment of Loans:**

Loan recipients may repay the loans on a monthly, quarterly, semi-annual, or annual basis depending on the needs of the local government. The date of the first installment payment is based on the date of the loan disbursement and the repayment schedule selected. All loan payments received by MCCD are placed in an interest bearing account and then used to make additional loans.

Community Development Block Grant Funds (CDBG) may not be used to repay the infrastructure loan, but may be used to pay for CDBG eligible infrastructure project costs not covered by the infrastructure loan.

**Project Evaluation and Approval:**

MCCD conducts a review of each completed application on a first-come, first-served basis. Applications received by the 25th of each month will be acted upon the following month. As part of the review process, MCCD staff meet with the loan applicant to learn the full extent of the proposed project and to explain the conditions and requirements of the loan.

Upon completion of the staff's review, the loan applicant will be invited to attend the meeting where a preliminary decision will be made regarding the requested loan. At this meeting the loan applicant will be asked to briefly present the application and explain the proposed infrastructure project. If the preliminary decision is to support the application, a recommendation will be made for the County Board to approve the loan request. After approval of the County Board, MCCD staff will prepare the loan documents and arrange a loan closing.

It is very important that the infrastructure project not begin until the loan recipient receives a Notice to Proceed from MCCD. This means that ground breaking, construction, or the purchase of equipment used in this project cannot begin until the Notice to Proceed is received by the loan applicant.

**Review Standards:**

The following questions will be considered in reviewing the loan application:

1. How severe is the need for the proposed infrastructure project?
2. Can the project be financed solely from local revenue sources or at market interest rates and terms?
3. Is the project scheduled for construction according to the locality's capital improvement plan or is there a documented immediate need?
4. To what extent will this loan be secured?

**Pre-Application Discussions:**

Prior to submitting a loan application, it is advised that the applicant meet with MCCD staff to discuss the proposed project. At this meeting, MCCD will discuss: the conditions of the loan; availability of funding; appropriateness of funding; and the availability of other public or private sources of funding. To arrange such a meeting or to learn more about this loan program, please contact:

Lisa Mersinger  
Madison County Community Development  
130 Hillsboro Avenue  
Edwardsville, IL 62025  
618/296-4398  
[Immersinger@co.madison.il.us](mailto:Immersinger@co.madison.il.us)

**MADISON COUNTY COMMUNITY DEVELOPMENT  
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APPLICATION**

**Application Instructions:**

To apply for an infrastructure loan, please submit to MCCC one copy of the completed loan application. All completed applications received by the 20th of each month will be acted upon the following month. The applicant should:

1. Print or type the application
2. Use the list of necessary attachments provided at the back of this application to be sure **all** of the requested information is included.
3. Label each attachment

**Where to Apply:**

Applicants must submit completed applications to:

Lisa Mersinger  
Madison County Community Development  
130 Hillsboro Avenue  
Edwardsville, IL 62025

If you have any questions about this application, please call (618) 296-4398.

**MADISON COUNTY COMMUNITY DEVELOPMENT  
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APPLICATION**

**SECTION A**

**Part A: Applicant Information**

1. Name of Sponsoring Unit of Government: \_\_\_\_\_
2. Chief Elected Official: \_\_\_\_\_
3. Contact Person for Sponsoring Unit of Government: \_\_\_\_\_  
Telephone #: \_\_\_\_\_ e-mail: \_\_\_\_\_
4. Project Being Submitted as (select one):  
Public Health and Safety \_\_\_\_\_ (complete only SECTION A of this application)  
Economic Development \_\_\_\_\_ (complete SECTION A & SECTION B of this application)

**Part B: Loan Information**

1. Amount of funds requested: \_\_\_\_\_
2. Term requested: (typically 7 years) \_\_\_\_\_
3. Loan Repayment Method: \_\_\_\_\_ Monthly \_\_\_\_\_ Quarterly \_\_\_\_\_ Annual
4. Proposed use of funds: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Part C: Project Information**

1. Location of Proposed Infrastructure Project: \_\_\_\_\_  
\_\_\_\_\_
2. Sponsoring Unit of Government's Total Project Costs: \_\_\_\_\_
3. If Application is for a Public Health and Safety project, estimate the number of people who would directly benefit from the project:  
Within 12 Months: \_\_\_\_\_  
Within 24 Months: \_\_\_\_\_
4. If Application is for an Economic Development project, estimate the number of private sector, full-time equivalent jobs that will be created and retained as a result of the project.  
Within 12 Months: \_\_\_\_\_  
Within 24 Months: \_\_\_\_\_











**Part I: Certification by Local Government Applicant**

Applicant hereby certifies that all information contained above and in exhibits attached hereto are true to his or her best knowledge and belief, and are submitted for the purpose of obtaining financial assistance from Madison County.

Name of Unit of Government: \_\_\_\_\_

Application Submitted By: \_\_\_\_\_

Title: \_\_\_\_\_

Phone #: \_\_\_\_\_

e-mail: \_\_\_\_\_

Date: \_\_\_\_\_

## LOCAL GOVERNMENT ATTACHMENTS

Label and attach the following to your application.

( ) Attachment A: Site Map

Outline the general location of the project, both the proposed infrastructure improvement and area to be served by the improvement on a site map.

( ) Attachment B: Infrastructure Project Costs

Submit detailed cost estimates from architects or engineers identifying infrastructure project costs.

( ) Attachment C: Local Government's Financial Statements

Submit the most recent two years' audited financial statements for the local government applicant.

( ) Attachment D: Letters of Commitment

Submit commitment letters from all funding sources for the public infrastructure project. The letters from the funding sources must have language indicating the funding amount and any conditions attendant to the funding of the project.

( ) Attachment E: Local Government's Capital Improvement Plan

Submit a current capital improvement plan for the local government which includes listings of specific capital projects and the sources of funding. If a current plan is unavailable, please submit a condensed interim plan.

( ) Attachment F: Local Government Resolution of Support

Submit a resolution from the city council or appropriate board, authorizing the Mayor or Supervisor to apply for a Madison County Infrastructure Loan.

( ) Attachment G: Proposed Collateral

Submit a detailed proposal describing the value of the collateral the local government will provide to secure the infrastructure loan.

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**SECTION B:**

**Applicants seeking approval under the Health and Safety criteria do not need to complete this section.**

**This section of the application is to be completed only if the applicant is seeking approval under the Economic Development criteria, and is to be completed by the company that will be the primary beneficiary of the infrastructure project.**

**Part A. Description of Business's Proposed Project**

1. Briefly describe the investment your business will make if this proposed public infrastructure project is completed.

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2. Briefly describe the impact of your businesses' project on other businesses within Madison County providing similar products or services.

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**Part D: Company Certifications**

The company certifies that this project cannot or will not proceed without the needed public infrastructure improvement.

The company certifies that this project will result in an expansion, start-up, or retention of a business, or an intra-county relocation that will result in substantial employment and growth.

The company certifies that jobs will be created or retained as a result of the public infrastructure improvement.

The company certifies that it will proceed with the project within three months upon completion of the public infrastructure improvement.

The company certifies that all information contained in Section B of this application, including attachments, is true to the best of its knowledge and belief.

\_\_\_\_\_  
Signature of Chief Executive Officer

\_\_\_\_\_  
Name of Chief Executive Officer

\_\_\_\_\_  
Name of Company

\_\_\_\_\_  
Date

\_\_\_\_\_  
Company FEIN

## BUSINESS ATTACHMENTS

Please label and attach the following to this application:

- ( ) Attachment A: History of the Company

Submit a brief history of the business and past employment growth.

- ( ) Attachment B: Market Information

Submit information on your company's products or services and identify existing and potential major customers and competitors.

- ( ) Attachment C: Corporate Financial Statements

Submit signed and dated corporate financial statements for the past three years, including:

- ( ) 1. Profit and Loss Statements
- ( ) 2. Balance Sheets
- ( ) 3. Disclosure of Contingent Liabilities

- ( ) Attachment D: Three Year Projections (only If project involves a business start-up)

Submit three year projections for the Profit and Loss Statement, Balance Sheet, and Cash Flow Statement of your business. Also, for the first year include a Monthly Cash Flow Projection of your business. (Include any assumptions used for the projections).