

MADISON COUNTY PARK AND RECREATION GRANTS COMMISSION

LOW INTEREST LOAN PROGRAM

APPLICATION GUIDE

Summary:

Madison County has designated Madison County Community Development to administer the Low Interest Loan Program. This loan program provides capital improvement financing to municipal park departments, recreation districts and governmental entities that have a portion of their budgets allocated for the development and/or administration of parks and recreation projects and programs in Madison County. Loans are provided to local governments in Madison County at 3% interest for capital improvement projects. The amount loaned is based on the total cost of the project, the public benefits provided by the project, the local government's financial condition and needs, and the amount of loan funds that are available.

Eligible Projects:

Loan funds can be used for capital improvement projects such as playground equipment, land acquisition, facility improvements, fencing, pool equipment (not chemicals) and/or multiple projects. Projects being assisted under this program must be owned and maintained by the loan applicant. If the loan applicant decides in the future to dispose or sale the property assisted by the loan program, the proceeds from the sale must first be used to pay off the loan.

Ineligible Projects:

Ineligible projects include those associated with operating or maintaining recreational facilities or services including: salaries for staff, utility costs and similar operational expenses. Wheeled vehicles, such as mowers, are ineligible.

Interest Rate and Term of Loans:

Loan funds up to \$200,000 are provided to local governments or other eligible public recreational entities at 3% interest for terms typically not exceeding 3-5 years on a case by case basis. The term of the loan will depend on the fiscal capacity of the loan applicant and the availability of funds.

Repayment of Loans:

Loan recipients may repay the loans on a monthly, quarterly, semi-annual, or annual basis depending on the needs of the loan applicant. 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.

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 will 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 capital improvement 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 work with the State's Attorney's Office and the applicant's attorney to prepare the loan documents and arrange a loan closing. After the loan closing funds are disbursed by either reimbursing loan applicants for approved costs or paying the loan applicant's project bills based on approvals provided by the loan applicant.

It is very important that the capital improvement 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 can not 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. What is the documented need for the 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 applicant's capital improvement plan or is there a documented immediate need?
4. To what extent will the loan be secured?
5. Is there a sufficient source of revenue to repay the loan?

Other Requirements:

All purchases must be made in accordance with loan applicant's local bid ordinances, bid policies, or state statutes. Also, there shall be no transfer of ownership of any land and/or equipment purchased with loan funds without notification and approval by the Madison County Park and Recreation Grants Commission.

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 sources of funding. To arrange such a meeting or to learn more about this loan program, please contact:

Holly Klausung
hmklusung@madisoncountyil.gov
Madison County Community Development
157 N. Main St., Ste. 312
Edwardsville, IL 62025
(618) 296-4247

**MADISON COUNTY PARK AND RECREATION GRANTS COMMISSION
CAPITAL IMPROVEMENTS LOW INTEREST LOAN PROGRAM
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 25th 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:

Holly Klausung
hmklusung@madisoncountyl.gov
Madison County Community Development
157 N. Main St., Ste. 312
Edwardsville, IL 62025

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

**MADISON COUNTY PARK AND RECREATION GRANTS COMMISSION
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APPLICATION**

Part A: Applicant Information

1. Name of Sponsoring Unit of Government: _____
2. Chief Elected Official: _____
3. Contact Person for Sponsoring Unit of Government: _____
Telephone #: _____

Part B: Loan and Project Information

1. Amount of funds requested: _____
2. Term requested: (typically 3-5 years) _____
3. Proposed use of funds: _____

4. Location of Proposed Infrastructure Project: _____

5. Sponsoring Unit of Government's Total Project Costs: _____

Part E: Uses of Project Funds

List the project activities and identify the cost and source of funds for each activity.

Project Activity	Infrastructure Loan Program	Other Funds	Local Funds	Total
TOTAL \$				

Part H: Certification by Local Government Applicant

Applicant hereby certifies that all information contained above and in exhibits attached hereto is 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 #: _____

Date: _____

ATTACHMENTS

Label and attach the following to your application.

() Attachment A: Site Map

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

() Attachment B: Capital Improvement 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 capital improvement 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 submission of the loan application.

() Attachment G: Proposed Collateral

Submit a detailed proposal describing the value of the collateral the local government will provide to secure the infrastructure loan. Typically it will be expected that the loans will be secured by a general obligation ordinance from the loan applicant.