

STATE OF WYOMING
COMMUNITY FACILITIES GRANT AND LOAN PROGRAM
RULES

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Rules will effect projects funded after July 1, 2010

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Chapter 1

GENERAL PROVISIONS

Section 1. **Purpose.** The purpose of the program is to assist communities to preserve former school and government facilities that have existing or future community uses. These rules are adopted in order to implement W.S. 9-12-801 through 9-12-804, which provide for grants and loans to eligible applicants for community economic development or enhancement of quality of life community facility projects. The rules provide for a method of application review, recommendation, the establishment of terms and conditions for awards and a hearing process.

Section 2. **Authority.** Rule-making for this program is the responsibility of the Wyoming Business Council as authorized by W.S. 9-12-104(a)(iv) and W.S. 9-12-801 through W.S. 9-12-804.

Section 3. **Definitions.**

(a) “Board” means the Wyoming State Loan and Investment Board.

(b) “Community Development Organization” means a group of private citizens organized as a business entity authorized to do business in this state for the purpose of providing financing for new, existing or expanding businesses and other economic or community development purposes throughout its community or county and which may take equity positions and shall take security positions in its borrowers’ businesses and appropriate personal guarantees from the owners thereof.

(c) “Council” means the Wyoming Business Council Board of Directors.

(d) “Council Staff” means the Staff of the Wyoming Business Council assigned to administer the program.

(e) “Eligible Project Costs” means total project cost, less ineligible project costs. Eligible project costs must be related to either 1) the expansion, renovation or remodeling of a surplus government facility and/or associated infrastructure or 2) expansion, renovation, conversion or purchase of an interest in a local enhancement to a school building or facility and/or associated infrastructure.

(f) “Ineligible Project Costs” are fixtures, appliances, equipment or other features of the facility which are not physically attached.

(g) “Local Enhancement to a School Building and Facility” means a structure and/or associated infrastructure which are in excess of and go beyond state school building adequacy standards.

(h) “Match” means cash and/or in-kind contributions. Contributions must have value and must be applicable to the period to which the matching requirement applies and must be necessary for the project facility. Examples of in-kind contributions include: labor, materials, professional services and real estate. In-kind contributions must be verifiable from the records of applicant. These records must show how the value placed on in-kind contributions was derived. Labor services will be reported using rates consistent with those ordinarily paid by the applicant or other employers for similar work in the same labor market. Donated supplies and equipment will be valued at market value at the time of donation. Loaned equipment will be valued at the fair rental rate of the equipment at the time of donation. The value of donated facilities or buildings or land will be established using a valuation method determined by an independent appraiser.

(i) “State Development Organization” means a corporation organized under W.S. 17-11-101 through 17-11-120 with the authority to provide financing for new, existing or expanding businesses, and to fulfill other economic or community development purposes throughout the State of Wyoming, and which may take equity positions and shall take security positions in its borrowers’ businesses and appropriate personal guarantees from the owners thereof.

(j) "Revenue Generating Facility" means a project facility owned by the applicant which generates revenue from fees or assessments paid by the users of the project facility.

(k) “Special Assistance Loan Fund” is a special assistance loan fund that allows applicants to borrow funds in excess of the maximum award and/or borrow all or a portion of the required match.

Section 4. **Eligible Applicants.**

(a) A county, an incorporated city or town, joint powers board or other local governmental entity may apply. A joint powers board may apply with the written approval of all participating agencies to the joint powers agreement.

(b) A county, an incorporated city or town, joint powers board or other local governmental entity may contract with a Community Development Organization or a State Development Organization to use grant and loan funds from an approved application.

(c) (b) The Council may enter into a contract/cooperative agreement with the Eastern Shoshone Tribe or the Northern Arapaho Tribe in order to promote the purpose of this program.

Section 5. **Previous Applicant.** An applicant must show satisfactory performance has been demonstrated under previous grants or loans awarded through this program.

Section 6. **Project Type.** A grant and or loan may be made for the following types of project facilities.

(a) The expansion, renovation or remodeling of existing surplus government facilities.

(b) The expansion, renovation, conversion, or purchase of an interest in a local enhancement to a school building or facility.

Section 7. **Eligible Project Uses.** Grant or loan funds may be used for economic development and enhancement of quality of life community facilities projects which provide:

(a) Space for community gatherings and functions;

(b) Appropriate recreational, swimming and athletic facilities for community members, particularly youth;

(c) Other functions or uses determined by the Council to be consistent with the purposes of the Wyoming Community Facilities Program.

Section 8. **Ownership of Facility.** The project facility funded by this program shall be owned by the applicant or an eligible Community Development Organization or State Development Organization as defined in Section 3 of this Chapter for a minimum of four years. The applicant may lease, sell, transfer or otherwise dispose of the project facility as provided by statute. No ownership interest to the project or facility under a project shall remain with the school district upon expenditure of any funds under this program for any project.

Section 9. **School District Agreement.** In the event the project facility involves a school district, i.e. local enhancement to a school building or facility, or other school district involvement, an agreement between the applicant and the school district shall be developed that delineates the responsibilities of each party.

Section 10. **Required Public Hearing Procedures and Resolution of Support.**

(a) An applicant is required to inform and educate the public to the greatest extent possible about the proposed economic development project utilizing a variety of techniques and media. The applicant must make readily available to the public access to the application and associated materials, exclusive of business plans or business financial information which are not subject to public information statutes. An applicant shall

actively solicit citizen input which can be submitted via writing, electronic communication, or in person at a public hearing. A minimum of one public hearing before submission of an application. For the purposes of this program seven (7) days is the minimum period for notification of a hearing date. The public hearing must be held a minimum of fourteen (14) days prior to the deadline for submission of an application under this program. If the project facility is to be located outside the county boundaries of the applicant, the applicant shall hold the required public hearing near the location of the proposed project facility.

(i) To inform the public and to gather information to satisfy the requirements of Section 14 (c) and (d) the public notice shall at a minimum:

(A) Contain a concise description of the proposed project facility.

(B) Ensure that comments are actively being solicited and time will be set-aside at the public hearing to take testimony from citizens who may feel that the proposed use of the project facility might compete with an existing business or governmental organization pursuant to Section 14 (c) and (d) of this Chapter.

(C) Be published in a newspaper of general circulation within the boundaries of the applicant or as approved by the Business Council Staff.

(b) A description of the applicant's public engagement process, written comments received by the applicant, evidence of the public hearing notification, minutes from the public hearing, and a copy of a signed resolution, passed after the public hearing is held and public comments are considered, supporting the submittal of the application from the governing body of the applicant or all participating agencies if the applicant is a joint powers board along with minutes of the public hearing and proof of publication.

Section 11. **Funding Cycles.** A grant and or loan application will be accepted and funds awarded once a fiscal year on a date to be determined by the Council Staff. A request will be scheduled for review by the Council and the Board. An applicant may only submit one new grant request per calendar year. An applicant may submit one new loan request per calendar year.

Section 12. **Application Procedures.**

(a) The Wyoming Business Council Regional Director is available to assist applicants with the development of projects and answer questions on the preparation of applications.

(b) An application shall be reviewed by the Council Staff to determine eligibility and completeness. An application determined by the Council Staff to be incomplete shall be provided an explanation of the findings in writing within fifteen (15) working days of its receipt where practical.

(c) Council Staff may, at its expense, hire a qualified third party to verify project cost estimates and the structural stability of the project facility. In addition, the Council Staff may, at its expense, hire a qualified third party to determine if any environmental hazards exists and to determine the condition of the facility or building components such as the plumbing, electrical, roof and mechanical systems.

(d) An application which is complete shall be forwarded by the Council Staff with a recommendation to the Council for its review.

(e) The Council Staff shall publish a statewide notice of Council and Board meetings at which Community Facilities Grant and Loan Program applications will be discussed.

(f) The Council shall prioritize proposed grants and loans it recommends to the Board. The score is not intended to be the only basis for a final recommendation by the Council or award decision by the Board. The final recommendation and award decision on grant and loan proposals shall be at the discretion of the Council and Board respectively. As a method to assist the Board with prioritizing grant and loan proposals, Council Staff will use the following scoring system.

(i) Financial Preparedness: (Total 20 points)

(A) Clear understanding of equipment costs, operational costs and maintenance costs (10 points).

(B) Clear identification of sources of ongoing funding for equipment, operations and maintenance. (10 points). No project scoring less than 5 in this category would receive funding.

(ii) Additional Considerations: Council Staff will also assess grant and loans in the following areas and report results to the Board

(A) Historic or cultural significance of the project facility and the extent to which the project facility will preserve or enhance that significance.

(B) Extent to which the project facility is intended primarily for youth.

(C) Extent to which the project facility fulfills community quality of life goals as identified in a community or economic development plan, community assessment, or other documentation of community vision and goals.

(D) Extent to which the project fulfills economic development goals as identified in economic development plans, or other documentation of economic development strategy.

(E) Extent to which the applicant will utilize a variety of funding sources to finance the project facility. This may include but is not limited to, sources such as historic tax credits, private donations, loans, and federal funding.

(iii) Community Facility Business Plan: see Chapter 2, Section 1(g)
The Community Facilities Business Plan should reflect a level of detail appropriate for the type and use/s of proposed facility. Plans will be assessed on:

(A) The extent to which the applicant has partnered with other agencies, non-profit organizations, Community Development Organizations in developing the Community Facility Business Plan and how those partnerships support the long-term viability of the facility.

(B) Experience of the applicant or partners in managing other community facilities or similar programs.

(C) Demonstration in marketing plan for the facility of knowledge of market area, people to be served and marketing campaign.

Section 13. **Council Consideration.** The Council shall consider each application, allow for comments from the public, the applicant, the Council Staff and refer the application to the Board with a recommendation. Under extraordinary circumstances the Council may recommend a waiver of rule requirements if the Council determines the waiver is consistent with the purpose of the Community Facilities Program.

Section 14. **Demonstration of Need.** To qualify for a grant or loan an applicant shall demonstrate:

(a) A commitment by the applicant to adequately maintain and insure the project facility for which the grant or loan is requested for at least four (4) years.

(b) A partnership or other working arrangement or agreement with other local governmental entities to ensure the viability of the project facility for at least four (4) years.

(c) The project facility is not otherwise provided in the community or that such a facility exists except that the financing of that facility has not been paid in full; see Chapter 1, Section 10.

(d) The project facility will not compete with existing governmental organizations or businesses; see Chapter 1, Section 10.

(e) The relationship of the project facility to a community economic development plan or to the enhancement of quality of life in the community.

(f) That all project costs will be funded at the time of receipt of a grant or loan under this article with funding sources specified within the project application.

(g) The availability of funds sufficient to maintain the project facility. The grant and or loan application shall clearly identify maintenance funding sources sufficient to cover maintenance costs for a period of at least four (4) years.

Section 15. Grant Match Requirements.

(a) A grant in an amount up to \$250,000 for a project shall require a minimum match of 10 percent of eligible project activity costs.

(b) A grant in an amount over \$250,000, but not more than \$1,000,000 for project shall require a minimum match of 15 percent of eligible project activity costs.

(c) Applicants can use the special assistance loan fund to complete minimum match requirements. Terms and specifications related to loan funds are addressed in Chapter 3 of the Community Facilities Grant and loan Program Rules.

Section 16. Fund Disbursement and Project Monitoring

(a) Fund Disbursement. Funds shall be disbursed to the applicant only as needed to discharge obligations incurred in accordance with the Board approved eligible project costs. Request for disbursement shall be made on a form supplied by Council Staff and supported by adequate proof that such an obligation has been incurred for the project purpose and is due and owing.

(b) Fund reversion.

(i) If the Council Staff determines the project has not been completed within the timeline established in the grant agreement between the grantee and the Business Council, Council Staff shall notify the grantee in writing at least thirty (30) days prior to presenting the matter for Council review.

(ii) If the Council Staff determines the project is complete, but the full amount of the grant or loan has not been expended, the Council Staff shall notify the grantee of this determination. Thirty (30) days following the notification, the unused portion of the grant or loan shall revert to uncommitted status.

(iii) Projects not started within one year: Council staff will notify applicant of a pending expiration prior to the one year anniversary of the award unless contingency for delay start was noted during the award. The applicant can submit a written request to continue the project. Council staff may request new and/or updated information and documentation. Council staff may recommend and the Council may authorize an extension of time in which to start the project.

(v) Projects with contingencies: Applicant is required to provide timely updates on the status of contingencies. If the contingency timeline lapses without conditions met, then the award will expire. The applicant has the option to submit a new application or can request an extension or modification of contingency terms through the Council staff. Council staff may recommend and the Council may grant an extension of time or modification to the contingencies.

(vi) Procurement Standards. All applicants must follow the state procurement regulations that exist in statute for cities and town. If a non-municipal applicant has produced a procurement policy then staff or qualified consultants reserves the right to review that policy prior to fund disbursement.

(c) Project Monitoring.

(i) Reporting. Within 15 calendar days of the conclusion of each calendar quarter during the term of the grant or loan contract construction services period of the grant agreement or cooperative agreement, the grantee shall supply Council Staff with a progress report. Each progress report shall set forth in narrative form the work accomplished under the grant or loan during the quarter and shall include a financial status report. At the end of project construction and acceptance of the project by the owner, the grantee shall furnish Council Staff with a final infrastructure report of the project. The grantee shall likewise furnish Council Staff with a cumulative financial statement, reflecting total expenditure pursuant to this grant agreement. Council Staff may at any point during the grant period request the applicant to provide updated financial information from the Community Facility Business Plan.

(ii) Audits and inspections. The Council Staff may, at its expense, conduct an audit of the records of the grantee and inspect the construction and operation of the project.

(iii) Record retention. Grantee agrees to retain all records related to the project for four (4) years following Council Staff's date of notice to grantee of closeout of the grant.

(d) Project Evaluation.

(i) Evaluation reports. After the conclusion of the construction services period and through the remaining time period of the grant, the grantee shall submit periodic narratives evaluating program outcomes against established performance measures. Council Staff shall stipulate the frequency and content of the report, tailored to the specific nature to each grant or loan, in agreements between the Council and the grantee.

(ii) Evaluation results. The Council shall use the evaluation report information to measure program outcomes, to promote learning from experience and to

improve program performance. Council Staff may make evaluation results available to grantees and other practitioners as appropriate.

(iii) Written comprehensive report. At the expiration of the grant agreement, the grantee shall furnish Council Staff with a comprehensive report of the project. The grantee shall furnish Council Staff with any updates to the cumulative financial statement, reflecting any additional expenditures, if any, pursuant to this grant agreement.

Chapter 2 COMMUNITY FACILITY GRANTS

Section 1. **Application Submittal Requirements.** An applicant shall submit two (2) copies of a completed application to the Council Staff. The application shall include:

- (a) An application cover page in a form provided by the Council Staff.
- (b) A copy of the certificate of incorporation of the organization, if the project will be carried out by contract with a Community Development Organization or State Development Organization.
- (c) A full description of the proposed project.
- (d) A clear budget statement of the source and use of all funds needed to complete the project. An explanation of the level of commitment of other funds to complete the project. The budget must be supported by an engineer's or architect's estimate of project costs. Grants will be made only to applicants who demonstrate upon receipt of the grant all project costs will be funded.
- (e) An inspection report prepared by an engineer or architect documenting the structural condition of the facility or building to be renovated. . The report shall also include information indicating the condition and age of the facility or building components to include but not limited to:
 - (i) Plumbing
 - (ii) Mechanical
 - (iii) Electrical
 - (iv) Roof
 - (v) Environmental hazards i.e. asbestos, lead based paint
- (f) A detailed map of the site showing the location of the facility to be funded.
- (g) The applicant shall provide the following information that will be used to determine the long term viability of the community facility. The grant may not be approved if the project facility is determined not to be viable.
 - (i) A Community Facility Business Plan for the operation of the project facility to include at a minimum the following:
 - (A) Executive Summary – a one-page summary of the entire business plan.

(B) Financial projections for four years that clearly identify funding sufficient to cover the projected operation and maintenance costs.

(C) Performance measures of desired outcomes, in the form of baselines or other evaluation criteria, which will address how well the project meets local community economic development or enhancement of quality of life goals.

(D) Ownership – identify all owners of the project facility.

(ii) A Community Facility Business Plan should contain as appropriate the following:

(A) Description of the equipment necessary to operate and maintain the project facility

(B) Description of the personnel and partners necessary to operate and maintain the project facility. Include the management experience of the personnel and partners.

(C) A project facility marketing plan.

(h) A copy of the certificate of organization filed with the Secretary of State and a copy of an executed joint powers agreement approved by the Attorney General, if the applicant is a joint powers board.

(i) A copy of a signed resolution supporting the submittal of the application- from the governing body of the applicant or all participating agencies if the applicant is a joint powers board.

(j) Information outlining the capacity of the applicant to properly manage the grant and the project. This should include previous grant management experience and the name and qualifications of the individual who will manage the grant.

(k) Information required to document need. To satisfy the requirements of Chapter 1, Section 14 the following documentation shall be submitted with the application:

(i) Written certification by the applicant committing to adequately maintain the project facility for which the grant is requested for at least four (4) years. The certification shall clearly identify funding sources to cover all maintenance and operational costs.

(ii) Copy of the partnership or working agreement or agreement with other local governmental entities to ensure the viability of the project facility for at least four (4) years.

(iii) Copy of the agreement between the applicant and the school district as required in Chapter 1, Section 9.

(iv) Written certification by the applicant that the project facility is not otherwise provided in the community or that such a facility exists except that the financing of that facility has not been paid in full. Written certification that the project facility will not compete with existing governmental organizations or businesses. See Chapter 1, Section 10 for related public notice and hearing requirements.

(v) An applicant must demonstrate the project facility relates to and is mentioned in a community economic development plan or a need exists to enhance the quality of life in the community. This is demonstrated by having some or all of the following plans in place.

(A) A current Comprehensive Economic Development Strategy (CEDS), Community Assessment, Certified Tourism Community planning, Main Street planning, or other economic development plan covering the area.

(B) A capital facilities plan with a priority listing of proposed community facility projects and sites related to economic development and quality of life goals.

(C) Other appropriate plans or studies which support the project facility and indicate its chances of achieving success in fulfilling economic development and quality of life goals.

(vi) A written certification that all project facility costs identified in the application budget will be funded at the time of receipt of the grant.

(l) A contingency contract for purchase or transfer of the project facility upon notification of a grant award or evidence the project facility is already owned by the applicant.

(m) Other applicable information as requested by the Council Staff.

Section 2. **Grant Amount.** A maximum of \$1,000,000 per project. Applicants can request an additional \$1,000,000 from the Special Assistance Loan Fund.

Chapter 3

COMMUNITY FACILITY LOANS

Section 1. **General Policy.** A loan may be made to fund a portion of any project facility which is an eligible activity. For example, a project facility which generates revenue from lease payments or user fees. In no event shall a loan be made to pay off or refinance an existing loan.

(a) A general Community Facilities Loan may be made to fund all of the funding request or fund in conjunction with a Community Facilities grant request.

(b) A Special Assistance Loan may be used to loan additional funding in excess of the maximum grant award amount and/or the full or partial funding of the required match.

Section 2. **Application Submittal Requirements.** An applicant shall submit three (3) copies of a completed application to the Council Staff. The application shall include:

(a) An application cover page in a form provided by the Council Staff.

(b) A copy of the certificate of incorporation of the organization, if the project will be carried out by contract with a Community Development Organization or State Development Organization.

(c) A full description of the proposed project.

(d) A clear budget statement of the source and use of all funds needed to complete the project facility. An explanation of the level of commitment of other funds to complete the project facility. The budget must be supported by an engineer's or architect's estimate of project costs. Loans will be made only to applicants who demonstrate upon receipt of the loan all project costs will be funded.

(e) An inspection report prepared by an engineer or architect documenting the structural condition of the facility or building to be renovated. The report shall also include information indicating the condition and age of the facility or building components to include but not limited to:

- (i) Plumbing
- (ii) Mechanical
- (iii) Electrical
- (iv) Roof
- (v) Environmental hazards i.e. asbestos, lead based paint

(f) A detailed map of the site showing the location of the facility to be funded.

(g) The applicant must provide the following information which will be used to determine the long term viability of the community facility. The loan may not be approved if the project facility is determined not to be viable.

(i) A Community Facility Business Plan for the operation of the project facility to include at a minimum the following:

(A) Executive Summary – a one-page summary of the entire business plan.

(B) Financial projections for four years that clearly identify funding sufficient to cover the projected operation and maintenance costs.

(C) Performance measures of desired outcomes, in the form of baselines or other evaluation criteria, which will address how well the project meets local community economic development or enhancement of quality of life goals.

(D) Ownership – identify all owners of the project facility.

(ii) A Community Facility Business Plan should contain as appropriate the following:

(A) Description of the equipment necessary to operate and maintain the project facility

(B) Description of the personnel and partners necessary to operate and maintain the project facility. Include the management experience of the personnel and partners.

(C) A project facility marketing plan.

(h) The source of repayment of the loan.

(i) Proposed security for the loan.

(j) In order for the Council to determine the ability of the applicant to repay a loan and to aid the Attorney General in evaluating the legality of the proposed indebtedness, an applicant shall provide an annual budget for the preceding and current fiscal years and a completed financial statement provided on a "General Financial Information" form provided by the Council Staff, which includes, but is not limited to the following information:

- (i) Assessed valuation for the current and two preceding fiscal years;
- (ii) Total bonded and non-bonded indebtedness, including outstanding principal balance, interest rate, and remaining term;
- (iii) Total mills levied within the jurisdiction of the applicant for the current and two preceding years; and, a breakdown of the mill levy for the current fiscal year;
- (iv) Sales and use tax imposed within the jurisdiction of the applicant;
- (v) A summary of the applicant's total investments and cash balances for the two preceding fiscal years;
- (k) A copy of the certificate of organization filed with the Secretary of State and a copy of an executed joint powers agreement approved by the Attorney General, if the applicant is a joint powers board.
- (l) A copy of a signed resolution supporting the submittal of the application. from the governing body of the applicant or all participating agencies if the applicant is a joint powers board.
- (m) Information outlining the capacity of the applicant to properly manage the loan and the project. This should include previous loan and grant management experience and the name and qualifications of the individual who will manage the loan.
- (n) Information required to document need. To satisfy the requirements of Chapter 1, Section 11 the following documentation shall be submitted with the application:
 - (i) Written certification by the applicant committing to adequately maintain the project facility for which the loan is requested for a period of not less than four (4) years. The certification shall clearly identify funding sources to cover all maintenance costs.
 - (ii) Copy of the partnership or working agreement or agreement with other local governmental entities to ensure the viability of the project facility for at least four (4) years.
 - (iii) Copy of the agreement between the applicant and the school district as required in Chapter 1, Section 9.
 - (iv) Written certification by the applicant that the project facility is not otherwise provided in the community or that such a facility exists except that the financing of that facility has not been paid in full. Written certification that the project

facility will not compete with existing governmental organizations or businesses. See Chapter 1, Section 10 for related public notice and hearing requirements.

(v) An applicant must demonstrate the project facility relates to and is mentioned in a community economic development plan or a need exists to enhance the quality of life in the community. This is demonstrated by having some or all of the following plans in place.

(A) A current Comprehensive Economic Development Strategy (CEDS) or other economic development plan covering the area.

(B) A capital facilities plan with a priority listing of proposed community facility projects and sites related to economic development and quality of life goals.

(C) Other appropriate plans or studies which support the project facility and indicate its chances of achieving success in fulfilling economic development and quality of life goals.

(vi) A written certification that all project costs identified in the application budget will be funded at the time of receipt of a loan.

(o) A contingency contract for purchase or transfer of the project facility upon notification of a grant award or evidence the project facility is already owned by the applicant.

(p) Other applicable information as requested by the Council Staff.

Section 3. **Loan Amount.**

(a) The maximum for a general Community Facilities Loan shall be \$1,000,000 per application.

(b) The maximum for a Special Assistance Loan shall be \$1,500,000 per application.

Section 4. **Interest Rate and Term.**

(a) A general Community Facilities Loan and a Special Assistance Loan shall be made at a no or low interest rate as recommended by the Council and established by the Board.

Section 5. **Security Interest.**

(a) A loan shall be adequately collateralized as recommended by the Council and determined by the Board. The Council may recommend and the Board may require a first position security interest in the project facility and the related user fees or assessments. Other security may be required as determined by the Council and approved by the Board.

(b) If a lien is required on the project facilities, the applicant shall:

- (i) Maintain adequate insurance on the project facility;
- (ii) Pay all applicable taxes and assessments when due;
- (iii) Maintain the project facility in good condition.

Section 6. **Attorney General Opinion.** No loan shall be made without the written opinion of the Attorney General certifying the legality of the transaction and all loan documents. An election approving the project facility and borrowing for the project facility by the qualified electors of the borrowing entity shall be required only if the Attorney General determines such an election is otherwise required by law.

Section 7. **Evaluation.**

(a) **Criteria.** The Council Staff shall evaluate an application and will formulate a recommendation to the Council utilizing the following criteria:

(i) Whether the user fees or assessments generated by the project facility will be sufficient so that the loan may be considered a reasonable and prudent investment of state funds.

(ii) Whether the applicant is current on all its repayment obligations to the Community Facilities Program account or other state loan accounts.

(b) **Interagency Consultation.** The Council Staff shall request pertinent state agencies assist in the review of the applications and provide comments to the Council Staff for Council and Board consideration.

Section 8. **Council Recommendation.** The Council shall consider each application and refer the application to Board with a recommendation including the amount of the loan, the term of the loan, and the type of security required to secure the loan.

Section 9. **Disbursement of Loan Proceeds.** At closing, the loan proceeds shall be deposited in an interest-bearing escrow account to be disbursed solely for the approved loan purposes. The borrower shall pay the costs of the escrow account.

Interest earned shall be credited to the borrower. Borrower shall submit all requests for payment along with supporting documentation on a form provided by the Council Staff. The Council Staff shall approve or disapprove pay requests in whole or in part within 5 working days and notify escrow bank of the amount to be disbursed to the borrower.