**Section 590.30 Evaluation Process**

The Department shall screen all applications to determine that all requirements of the application package have been addressed. Complete applications will be reviewed and evaluated by Department staff. Applicants will be notified of deficiencies in applications and given an opportunity to correct such deficiencies through submission of additional documentation (see Section 590.25). This review and evaluation process will be completed within 45 days of the Department's receipt of a complete application. Department staff will conduct an evaluation of each application to assure compliance with the requirements specified in the Large Business Development Act (Ill. Rev. Stat. 1989, ch. 127, par. 2710-1 et seq.) (Act). The evaluation will address the following technical criteria:

a) Evidence of Need for Program Funds

1) It should be demonstrated, for example, that the firm has multi-state location options and that additional funds will be leveraged – to cover up to 75 percent of total project costs.

2) The business project must create or retain at least 300 full-time equivalent jobs over a 24 month period. The Director may waive the requirement for 300 jobs to be created/retained for a large company meeting all other program criteria, as specified in the Act and this Part, but due to extenuating circumstances, cannot create 300 jobs (e.g., distressed community with an unemployment rate which is considerably higher than the state's average; area with limited economic development prospects as evidenced by prior and current development activities; funding would support business with potential to generate additional growth in area and creation of jobs as a result of spinoff businesses; funding needed to avert loss of the area's major source of employment, etc.).

b) Project Implementation Readiness – The company must demonstrate project readiness consisting of commitments identifying loans and investments from all lenders and investors on letterhead, signed and dated; and a time schedule for immediate project initiation.

c) Job Creation – The application must provide evidence of job creation and/or retention including written assurance from the company which identifies the number of jobs to be created/retained; identification of the types of jobs created/retained; evidence that jobs created/retained will generate additional wealth for the community (e.g., final goods or services produced are sold in markets outside Illinois or goods or services produced and sold locally substitute for those imported from outside the State) – these types of jobs will receive some preference; and evidence that the project to be undertaken has the potential to create substantial employment (see subsection (a)(2)) in relation to the principal amount of the loan at generally a ratio of at least one job to each $5,000 in project funds. A project with a higher ratio will be considered for funding if the application demonstrates severe need (e.g., distressed community with an unemployment rate which is considerably higher than the state's average; area with limited economic development projects as evidenced by prior and current development activities; funding would support business with potential to generate additional growth in area and creation of jobs as a result of spinoff businesses; funding needed to avert loss of the area's major source of employment, etc.).

d) Financial Evaluation Component – The company's financial statements, including the annual balance sheets and profit and loss statements for the past three years, as well as the most recent ninety days, and a three year projected balance sheet and profit and loss statement, as well as a one year monthly cash flow statement. A comprehensive business plan or company annual reports may be submitted in lieu of the aforementioned material. This will be reviewed through a standard credit analysis which will determine the: liquidity and debt coverage for the project; ability of the company to manage debt; business trends; and projected earnings. This data will be compared to similar data for companies in the same industry using the 1988 (no later amendments or editions included) "RMA Annual Statement Studies" (published by Robert Morris Associates, P.O. Box 8500, S-1140, Philadelphia, PA 19178), or a comparable source which more closely matches the applicant's business operation if the applicant's industry is evaluated by such source. This standard credit analysis will determine the financial stability of the company in accordance with Section 10-5 of the Act.

(Source: Amended at 14 Ill. Reg. 19154, effective November 26, 1990)