**Section 610.30 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. This review and evaluation process will be completed within 45 days of the Department's receipt of a complete application. Department staff will conduct a technical and financial evaluation of each application.

a) Technical Evaluation Component – Each application will be reviewed to assure compliance with technical program requirements as specified in the Public Infrastructure Loan and Grant Program Act (Ill. Rev. Stat. 1991, ch. 127, par. 2708-1 et seq.) [30 ILCS 750/Art. 8] (Act). The technical evaluation will address the following criteria:

1) Evidence of Need for Public Participation – The application must demonstrate the need for public funds in the manner set forth in Section 8-5 of the Act, including identification of the essential need for public infrastructure in order to secure the private sector development, expansion, or retention; evidence that the project cannot be financed solely from local revenue sources or cannot be financed at an interest rate and term which makes the project viable; and an indication of the relationship of the proposed public infrastructure improvement to a local capital improvements plan (if applicable) or a documented need for the improvement.

2) Project Implementation Readiness – The application must show that the Infrastructure Program is ready for implementation by providing a time schedule for the immediate project initiation; detailed engineering reports and cost estimates which demonstrate cost feasibility of the project; and a signed resolution of support from the local government.

3) Project Impact – The application must clearly demonstrate a positive project impact consisting of an increase in employment or the retention of jobs and 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 final goods or services produced and sold locally substitute for those imported from outside the State) – some preference will be given to these types of jobs.

b) Financial Evaluation Component – The Department will conduct a financial analysis of each application received. The financial evaluation will include an analysis of the local government and the company undertaking the business project.

1) Analysis of Local Government – The Department's local government financial analysis will review alternative funding sources available to and pursued by the applicant, such as general obligation or revenue bonds, federal grant programs, tax increment financing, or special service area tax proceeds and user-charges; a determination of the financial health of the governmental unit based on the most recent audit of governmental funds including current tax rates, outstanding debt structure, utility user charges (if applicable to the project); and the community's ability to pay a portion of the costs for the infrastructure improvement.

2) Analysis of the Business – The firm'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. These statements will be reviewed through a standard credit analysis which will determine the: liquidity and debt coverage of 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 comparable source which more closely matches the applicant's business operation if the applicant's industry is evaluated by such sources. This standard credit analysis will determine the financial stability of the company in accordance with Section 8-5(g) of the Act.

(Source: Amended at 18 Ill. Reg. 8398, effective May 23, 1994)