
Infrastructure Loan Program (MIDOC)



Guidelines and Application

MDFB Infrastructure Loan Program

Program Guidelines and Summary

Purpose: Provide low interest debt financing for public infrastructure projects that will improve local facilities, address health and safety concerns, and develop a greater capacity for growth. MIDOC loans are generally used to supplement other sources of financing for an infrastructure project. The political subdivision must be unable to obtain sufficient conventional lender financing for the project.

Eligible Uses of Funds: Eligible activities pertain to facilities (including engineering, design and construction inspection), which are owned and operated by a governmental entity providing service to the general public. **Priority activities** are the reparation of public infrastructure facilities during recovery efforts in state or federally declared natural disasters and water and sewer system improvements necessary to correct deficiencies that, if uncorrected, are likely to result in health and safety hazards to system users. Loan funds may **not** be used to replace funds previously obligated for a project or to refinance existing indebtedness. No applicant administration costs will be funded from this program.

In the case of federal or state declared disasters where the damaged infrastructure is eligible for FEMA or SEMA Public Assistance funds, but the repairs necessitate immediate action to get the system back into working order and the local government lacks the cash on hand to make those repairs, this loan fund may also be used for an interim loan until the FEMA or SEMA Public Assistance funds are made available. Since the FEMA funds are typically a cost share (75% federal, 10% state, 15% local) the federal and/or state payment(s), in the event of multiple eligible projects, may be applied to the loan balance or used by the applicant to pay for other FEMA- or SEMA-approved disaster repair and remediation project costs provided that the final FEMA and/or SEMA payments are used to pay off that portion of the MIDOC loan provided to fund these federal or state cost share expenses. The local share may either be paid or carried as a debt payable to MDFB.

Funding Limits: The minimum loan amount is \$25,000. The maximum loan amount is \$150,000. The entire debt involved in the project may affect the maximum loan amount.

Loan Requirements: The term of the loan may be from 5 to 20 years. The interest rate is 3% per annum, except for disaster recovery loans for which the interest will be 0% for the first three (3) years and 3% per annum for any term thereafter to maturity. A \$750.00 fee, which can be deducted from the loan proceeds, will be charged to each borrower for Board legal fees. The loan shall be secured by the purchase of revenue and/or general obligation bonds, a promissory note, lease agreement, or annual appropriation pledge obligation. Level debt service payments are required and shall begin within a year of loan closing. Payments are due on the anniversary date of loan closing. Principal repayments may be deferred for disaster recovery loans, based on the need demonstrated by the applicant.

Application Criteria: Submit the following information for review. Please submit one (1) original application and one (1) copy, including all attachments.

- Form A
- Form B
- Form C, Public Infrastructure facility narratives 1 – 7.
- Form D
- Form E, and required attachments.
- Form F

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- Preliminary engineering report and cost estimates.
- Applicant's current financial statement, not less than 90 days old.
- Applicant's latest annual audited financial statements.
- Project map indicating the specific location of the proposed public facility improvements. The map should show as much detail as possible.
- Documentation of all other funding commitments.

Timing: All Water and Sewer projects must complete the Missouri Water and Wastewater Review Committee's (MWWRC) proposal process before submitting an application for MIDOC loan funding. MIDOC applications are reviewed by MDFB staff and input is gained from a member(s) of the MWWRC and/or any partnering financing agencies to ensure the application complies with their recommendations when applicable. MDFB staff may then recommend the application for final approval. The MDFB will schedule the application for consideration at one of its regularly scheduled monthly meetings.

Additional Information: For additional information or questions, contact:

Missouri Development Finance Board
P.O. Box 567
221 Bolivar Street, Suite 300
Jefferson City, MO 65102
Phone: (573) 751-8479/ Fax: (573) 526-4418
Attn: Finance Programs Manager

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Form A — Project Identification

1. Applicant Identification:

- a) Name: _____
- b) Mailing Address: _____
- c) City, State, and Zip: _____
- d) Chief Official: _____ Title: _____
- e) Contact Person: _____ Title: _____
- f) Telephone Number of (e): _____
- g) Fax Number of (e): _____
- h) Fiscal Year End of (a): _____

2. Application Preparer (if different than contact person stated above):

- a) Name: _____ Title: _____
- b) Mailing Address: _____
- c) City, State, and Zip: _____
- d) Name of Agency / Entity: _____
- e) Telephone Number of (a): _____
- f) Fax Number of (a): _____

3. Other Information (for reporting purposes):

- a) Population of the Applicant (1a): _____
- b) County of Applicant: _____
- c) State Representative: _____ District Number: _____
- d) State Senator: _____ District Number: _____
- e) U.S. House Representative: _____ District Number: _____

4. Floodplain Management:

- a) Does the proposed project, or any portion thereof, lie within the boundaries of a 100-year floodplain? Yes No
- b) Does the Applicant participate in the National Flood Insurance Program? Yes No
- c) Is the Applicant in good standing with the National Flood Insurance Program? Yes No

5. Amount of Loan Application Request: \$ _____

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Form B — Project Summary

1. **Project Budget:** In as much detail as possible, specify the proposed project costs. Sources of funds may be infrastructure loan, private, city, county, or other state or federal programs. The costs must correspond to the preliminary engineering design or cost estimate.

Activity	MDFB Loan Funds	Cash Match	In-Kind (Non- Cash) Match	Private Funds	Other State/ Federal Funds	TOTAL PROJECT COSTS
Public Facility Activity (Specify)_____						
Other (Specify)_____						
Engineering Design						
Construction Inspection						
TOTAL						

Note: The total MDFB loan funds must equal the amount stated in item number 5 on Form A, and cannot exceed \$150,000.

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Form C — Project Narratives

Narratives: Please select the series of questions pertaining to your project and answer them in a detailed and concise manner. You may attach additional sheets of paper as necessary.

Public Infrastructure Facility Narratives:

1. Describe the need for the proposed project. Include any environmental concerns or threats to the health and safety of the system users.
2. Describe the proposed project in detail and explain how it will adequately address this need.
3. How many customers will be served by the new system?
4. What is the proposed rate structure for the new system?
5. Describe how the system will be maintained, both financially and physically.
6. Please provide a detailed timeline for the completion of this project.
7. Describe the economic impact this new facility will have on the community.

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Form D — Tax Information

1. Taxes: Complete all taxes applicable to the applicant.

	(a)	(b)
Tax Type	Tax Rate	Actual Revenues Received in Most Recent Fiscal Year
1. Sales	%	\$
2. Property Tax (Per \$100 A.V.)	\$	\$
3. Other Taxes	%	\$
4. Electric Franchise	%	\$
5. Gas Franchise	%	\$
6. Other Franchise	%	\$
7. Current Assessed Valuation		\$

2. User Fees: If water and sewer rates are combined, please separate.

(a) Water	(b) Sewer	(c) Description
		1. Number of residential users
		2. Number of non-residential users
		3. Total Number of users (1 + 2)
		4. Monthly cost per user for 5,000 gallons used*
		5. Total revenues received in last complete fiscal year*

* If a new system is proposed, these costs and revenues **must be provided** based on projections for the first year's operation.

If the loan is based upon a user fee increase, indicate the proposed increase and the revenues expected to be generated from such increase:

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Form E — Public Participation

1. Public Participation:

Date of Newspaper Advertisement: _____

Date of Posting (if applicable): _____

Date of Public Hearing: _____

Attach:

- Copy of public hearing notice from newspaper (Photocopy must include date of publication and name of publication as they appear on the page; otherwise submit affidavit of publication).
- Copy of minutes of the hearing.
- Certified list of posting sites with dates posted, if applicable.

Sample Public Hearing Notice

The City of _____ will hold a public hearing on _____, 20__, at _____ p.m., at City Hall to discuss an application to be submitted to the Missouri Development Finance Board under the Missouri Infrastructure Loan program. The city is interested in obtaining citizen input on community and economic development needs within the city. The maximum amount of funds available from the Infrastructure Loan program is \$150,000.

Activities, which are eligible for funding, include public infrastructure projects that will improve local facilities, address health and safety concerns, and develop a greater capacity for growth. The city proposes to request \$_____ in Infrastructure Loan funds for sewer system improvements for a project located at _____. City staff members will be present to answer questions about the program and the proposed application. For more information, contact _____ at () _____.

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Form F — Certification of Applicant

The undersigned hereby represents and certifies that, to the best knowledge and belief of the undersigned, this Application contains no information or data, contained herein or in the attachments, that is false or incorrect.

Dated this _____ day of _____, 20 ____

SIGNATURE: _____

NAME: _____

TITLE: _____

- I certify that I am an authorized representative of the applicant and as such am authorized to make the statement of affirmation contained herein.
- I certify that the Applicant does NOT knowingly employ any person who is an unauthorized alien and that the Applicant has complied with federal law (8 U.S.C. 132a) requiring the examination of an appropriate document or documents to verify that each individual is not an unauthorized alien.
- I certify that the Applicant is enrolled and will participate in a federal work authorization program as defined in Section 285.525(6), RSMo, with respect to employees working in connection with the activities that qualify Applicant for this program. I certify that the Applicant will maintain and, upon request, provide the Board documentation demonstrating Applicant's participation in a federal work authorization program with respect to employees working in connection with the activities that qualify Applicant for this program.
- I certify that the Applicant shall include in any contract it enters with a subcontractor in connection with the activities that qualify Applicant for this program, an affirmative statement from the subcontractor that such subcontractor is not knowingly in violation of Section 285.530.1, RSMo, and shall not be in violation during the length of the contract. In addition, the Applicant will receive a sworn affidavit from the subcontractor under the penalty of perjury, attesting that the subcontractor's employees are lawfully present in the United States. I certify that the Applicant will maintain and provide the Board access to documentation demonstrating compliance with this requirement.
- I hereby agree to allow representatives of the Board access to the property and applicable records as may be necessary for the administration of this program.

Issuance of the Loan Plus Attorney Fees: \$750.00