

# VILLAGE OF ARLINGTON HEIGHTS

## ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT SMALL BUSINESS LOAN PROGRAM 0% INTEREST

### POLICY AND PROCEDURES



Prepared by:  
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Department of Planning & Community Development  
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September 10, 2010  
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**ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT  
SMALL BUSINESS LOAN PROGRAM  
POLICIES AND PROCEDURES**

**Purpose**

The Energy Efficiency and Conservation Block Grant (EECBG) – Small Business Loan Program is intended to complement and support the Village’s history of green initiatives. The primary objective of the program is use the Small Business Loan Program to help fund eligible energy efficiency improvements in order to reduce the overall consumption of energy. The reduction in energy consumption is a benefit to businesses by lowering energy bills and overhead costs. The program employs a public/private partnership approach to provide incentives to owners of buildings to improve the energy efficiency of the buildings through eligible improvements including: insulation, windows, energy star products, HVAC and renewable energy. Funding for this program comes from the American Recovery & Reinvestment Act (ARRA) as part of the EECBG program.

**Eligibility**

In order for a small business to qualify for the Energy Efficiency & Conservation Block Grant Small Business Loan Program, it must meet the following eligibility standards:

1. **Energy Audit**

The property will undergo an Energy Audit. The applicant should schedule an appointment with the Village approved business energy audit company. The energy auditing company will provide copies of the business energy audit to both the business and the Village. The Village will use its copy of the business energy audit to verify the expenditure and program evaluation. The Village will reimburse the business up to \$500 but not more than 50% of the audit costs for the first 10 companies to submit for the program. The energy audit will be used to assist in the evaluation of the effectiveness of the proposed energy efficient improvements.

2. **Need.** Eligible projects include:

- Insulation
- Windows
- Energy star products (Excluding appliances)
- HVAC systems
- Renewable energy initiatives such as solar, geo thermal, wind energy systems.

*The Energy Efficiency & Conservation Block Grant and Small Business Loan Program will not fund general maintenance and upkeep. The program may not be used by the same applicant to upgrade the same building more than once. The Business must be located within the corporate limits of the Village of Arlington Heights.*

3. **Eligible Projects.** Eligible projects must be approved by the Village prior to any improvements being made. Eligible properties must lie within the Village of Arlington Heights' corporate boundary and must be an approved licensed business. Applicant will be required to provide proof of ownership.
4. **Improvements.** Some of the types of projects covered under this program include adding insulation to ceilings and walls, installing high efficiency heating and cooling systems, replacement windows, doors and skylights, installing photovoltaic or solar thermal systems or other viable renewable energy installations.
5. **Ownership.** Eligible applicants may be the owner of a commercial building or the owner of a commercial business. Commercial tenants must provide their lease and written consent from the building owner for all proposed improvements.
6. **Fees.** Professional, legal, architectural and Village permit fees may be included as eligible expenses. These include professional consultant fees, legal fees, and Village building permit fees. The cost of the energy audit will be dependant upon the size and complexity of the facility. The Village will reimburse the property owner up to \$500 for the energy audit once all of the energy improvements are completed in compliance with all Village requirements.
7. **Conformance.** All energy efficiency improvements must be in compliance with the Federal Energy Efficiency Conservation Block Grant Program and must receive prior written approval from the Village and conform to all building and zoning codes of the Village of Arlington Heights.
8. **Process.** The applicant will submit an application for the Energy Efficiency & Conservation Block Grant and Small Business Loan Program to the Department of Planning & Community Development (DPCD). Other permits and licenses are to be submitted to the Building Department. DPCD will review the applications and supporting documentation. Upon verification of the business's eligibility and submission of all necessary documentation, the Director of Planning & Community Development may approve the application.
9. **Availability of Funds.** This loan program is subject to the availability of funds. Funds are awarded on a first-come, first-serve and case-by-case basis. The Village reserves the right to withhold funds until all requirements are met. If the energy audit is not performed within 45 days of the application approval, the Village reserves the right to discontinue the reservation of the funds for the project. (Note: The eligible projects will be processed on a first come first serve basis but will also be ranked by their energy savings.) **The Village of Arlington Heights, at its sole discretion, reserves the right to decline applications or dismiss program participants for any reason. The program will close without notice when funding is exhausted.**

**Loan Amount & Structure.** If the Village deems it necessary and appropriate, a loan may be made available, which loan shall be structured as follows:

1. The Village will loan up to 50% of the total project cost but not more than \$10,000 at 0% interest for a term of 8 years. Loan payments shall be made quarterly over 8 years or 1/32 of the principle each quarter. The loan must be paid off in full with the sale of the property to a new buyer. *The Village's total loan for any project shall not exceed 50% of total project cost.*
2. Loan funds will be disbursed upon submittal of required documentation and completion of the improvements and inspection of the improvements.
3. Applicant must provide sufficient collateral to secure the loan. The collateral requirements are provided in the application.

### **Procedural Requirements**

In order to qualify for the Energy Efficiency & Conservation Block Grant Small Business Loan Program the property owner or representative must complete the application, and must be prepared to comply with all applicable regulations. *The Department of Planning & Community Development will review all plans submitted for funding under the program.*

An applicant may be required to meet with the Department of Planning and Community Development for advice and technical assistance. The attached "Instructions to Applicants" are to be followed when applying for the Energy Efficiency & Conservation Block Grant Small Business Loan Program. The applicant will submit an application, accompanied by plans, and a cost estimate from an Arlington Heights contractor for the proposed energy efficiency improvements. All improvements shall comply with all Federal, State, and Local regulations. **Any improvements made prior to approval of the application and execution of the agreement will be ineligible.**

**Additional information may be requested from:**

**Village of Arlington Heights  
Department of Planning & Community Development  
33 S. Arlington Heights Road  
Arlington Heights, IL 60005-1499  
Phone: 847-368-5200  
Fax: 847-368-5988  
Web Site: [www.vah.com](http://www.vah.com)**

# **Energy Efficiency & Conservation Block Grant Small Business Loan Program**

## **Instructions to Applicants**

This is a preliminary instruction form to assist eligible applicants in preparing the necessary submittals for the Energy & Conservation Block Grant Small Business Loan Program. Please refer to pages 2 and 3 of this pamphlet for eligibility criteria.

### **Procedure for applying for the Business Energy Audit:**

1. Applicant submits the following documents to DPCD:
  - A. Business Energy Audit Application Form
  - B. Proof of Ownership and or lease
  - C. In the case of a lease, written consent from the building owner
  - D. Description of anticipated improvements.
  - The Village of Arlington Heights may require additional documentation if deemed necessary.
2. After DPCD review and approval, DPCD will issue a Certificate of Eligibility to the applicant.
3. Upon receipt of the Certificate of Eligibility, which will outline funding eligibility and any conditions or contingencies, the applicant should schedule an appointment with the Village's approved business energy audit company. The energy auditing company will provide copies of the business energy audit to both the business and the Village. The Village will use its copy of the business energy audit to verify the expenditure and program evaluation.
4. The applicant will pay the full amount for the business energy audit. The Village will reimburse the first 10 applicants up to \$500 for the energy audit once all of the energy improvements are completed in compliance with all Village requirements.
5. The Village will not reimburse the applicant for the energy audit. The energy audit will assist in the Village's evaluation of the effectiveness of the proposed improvements.

### **Procedure for applying for the Energy Conservation Business Loan**

1. The applicant submits the following documents to the DPCD.
  - A. Energy Conservation Business Loan Application Form
  - B. Proof of ownership and or lease
  - C. In the case of a lease, written consent from the building owner.
  - The Village of Arlington Heights may require additional documentation if deemed necessary.

2. After DPCD review and approval, DPCD will issue a Certificate of Eligibility to the applicant.
3. Upon receipt of the Certificate of Eligibility, which will outline funding eligibility and any conditions or contingencies, the applicant should complete the following:
  - i. The applicant should submit final plans and three (3) bids from *qualified Arlington Heights contractors*, specifying which of the contractors the applicant wishes to employ.
  - ii. The Building Department will review the final plans for issuance of any necessary building permits. The applicant must submit a separate building permit.
  - iii. Contractors must utilize American Made products and meet Davis Bacon Wage Requirements.
  - iv. The Davis Bacon Act requires that each contract over \$2,000 to which the United States or the District of Columbia is a party for the construction, alteration, or repair of public buildings or public works shall contain a clause setting forth the minimum wages to be paid to various classes of laborers and mechanics employed under the contract. Under the provisions of the act, contractors or their subcontractors are to pay workers employed directly upon the site of the work no less than the locally prevailing wage and fringe benefits paid on projects of a similar character.
4. For eligible energy conservation rehabilitation work, construction may commence after a building permit has been issued.
5. DPCD and the Building Department will inspect the site during construction and upon construction completion to assure conformance with the Energy Efficiency plans submitted.

**Additional information may be requested from:**

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## SMALL BUSINESS LOAN PROGRAM

### STEPS IN THE LOAN PROCESS

<b>Step</b>	<b>Process</b>
1	Submit Application
2	Obtain Approval to Participate
3	Engage Professional Energy Audit
4	Provide Audit to the Village
5	List Energy Efficiency Improvements Proposed and Costs
6	Submit and Sign Loan Documents
7	Bid the Project Arlington Heights Contractors (When Available) Purchase Arlington Heights Supplies (When Available)
8	Obtain Approval of the Bid
9	Obtain Building Permit
10	Commence Construction
11	Submit for Disbursement of Funds
12	Final Inspection of Improvements

**ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT  
SMALL BUSINESS REVOLVING LOAN PROGRAM  
ENERGY AUDIT APPLICATION**

**I. Applicant is (Circle One)                      Tenant                      Owner**

**Grant Applicant Name:** \_\_\_\_\_

**Name of Business:** \_\_\_\_\_

**Business Owner:** \_\_\_\_\_

**Address of Business:** \_\_\_\_\_

**Email address:** \_\_\_\_\_

**II. Name of Building Owner(s):** \_\_\_\_\_

**Address of Owner(s):** \_\_\_\_\_

\_\_\_\_\_

**Owners's Phone (work):** \_\_\_\_\_

**Owner's Fax (Work):** \_\_\_\_\_

**Owner's Email address:** \_\_\_\_\_

**IV. Description of Business: (Include type of operation and number of employees.)**

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**V. Written Project Description:**

Please describe your proposed Energy Efficiency project and all the proposed improvements. Please include specifications for all improvements proposed. Please utilize Exhibit A Utility Usage Projection/Equipment Specification Sheet to list the equipment

(name and model number, etc.) that is being purchased and its projected lifespan in years. Please include any product literature specifications, brochures, etc. that would be helpful in evaluating your application.

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**VI. Total Square Footage:** \_\_\_\_\_

**VII. Number of stories:** \_\_\_\_\_

**VIII. Approximate Age of Building in years:** \_\_\_\_\_

**VIII. Required Documentation for Submittal**

**A. Utility Bill History/Usage Worksheets:**

All applications must provide a summary of energy usage based upon the most recent 12 months utility bills and provide the Village with projected energy savings and costs over the year following installation of the improvements. Exhibit A the Utility Usage Projections/Equipment Specification Sheet may be used to calculate project energy and cost savings. A report prepared in the required professional energy audit may serve as a substitute for the worksheets. The following information must be provided in the professional energy audit.

**B. Professional Energy Audit:**

A report prepared in the required professional energy audit may serve as a substitute for the worksheets. The following information must be provided in the professional energy audit.

- Type of Energy (i.e. electricity, gas, etc.)
- Current Annual Usage
- Projected Annual Usage
- Projected Annual Savings

**C. Schedule Information:**

A proposed schedule must be provided including the following:

Anticipated Start Date: \_\_\_\_\_

Anticipated Project Completion Date: \_\_\_\_\_

**D. The Itemized Project Activity Estimate:**

Once the energy audit is complete, the Village of Arlington Heights will provide authorization to obtain bids for qualified energy improvements. **Exhibit C** will be completed by the applicant which will list 3 estimates for the proposed project improvements in each category.

**E. Detailed Contractors Estimate:**

Please provide detailed contractors estimates and additional sheets with supporting information.

**F. Follow-Up Report**

All the recipients of grant funds will be required to provide the Village with a one year follow-up report to determine the actual energy consumption provided in Exhibit B.

**The applicant (undersigned) agrees to comply with the procedures of the Energy Efficiency & Conservation Block Grant and Small Business Loan Program.**

**The applicant further understands that the applicant must submit detailed cost documentation, copies of building permits and all contractor's waivers of lien upon completion of work.**

**The applicant, owners and all contractors must comply with all federal, state and local regulations.**

**I understand the cost of the energy audit is the responsibility of the business and is not eligible for the energy efficiency and conservation loan program.**

This application for the Energy Efficiency & Conservation Block Grant Small Business Loan Program is hereby believed to be complete and accurate.

By: \_\_\_\_\_  
(Name of Owner)

By: \_\_\_\_\_  
(Name of Tenant)

**STATE OF ILLINOIS     )  
COUNTY OF COOK     )  
VILLAGE OF ARLINGTON HEIGHTS )**

The foregoing petition was acknowledged before me by \_\_\_\_\_ on the \_\_\_\_\_  
[Name of Notary]  
day of \_\_\_\_\_, 20\_\_\_\_.

By: \_\_\_\_\_  
Notary Public

Application to be returned to:  
Village of Arlington Heights  
Department of Planning & Community Development  
33 S. Arlington Heights Road  
Arlington Heights, IL 60005-1499  
Phone: 847-368-5200  
Fax: 847-368-5988  
Web Site: [www.vah.com](http://www.vah.com)

**EXHIBIT A**

**UTILITY USAGE PROJECTION/EQUIPMENT SPECIFICATION SHEET**

**A. Energy Types:** List the Type(s), Cost (\$) and Current and Project Annual Usage of Energy (electricity, gas, etc.)

<u>Type of Energy</u>	<u>Current Annual Cost</u>	<u>Projected Annual Usage</u>	<u>Projected Annual Savings</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
			Total: _____

## EXHIBIT B

**B. Equipment:** List the equipment (name, model number, etc.) that is being purchased and its projected lifespan in years. Include any product literature, specifications, brochures, etc. that would be helpful in evaluating your application. Please use additional sheets if needed.

Equipment	Lifespan (years)
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

**ENERGY EFFICIENCY & CONSERVATION BLOCK GRANT  
SMALL BUSINESS REVOLVING LOAN PROGRAM  
APPLICATION**

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**Business Information**

<b>I. Applicant is (Circle One)</b>	<b>Tenant</b>	<b>Owner</b>
<b>Loan Applicant Name:</b>	_____	_____
<b>Name of Applicant Business:</b>	_____	_____
<b>Business Address:</b>	_____	_____
<b>City, State, Zip Code:</b>	_____	_____
<b>Phone (work):</b>	_____	_____
<b>Fax (Work):</b>	_____	_____
<b>Email address:</b>	_____	_____
<b>Description of Business:</b>	_____	_____
<b>Number of Employees:</b>	_____	_____
<b>Year Established:</b>	_____	_____
<b>Business Bank Name:</b>	_____	_____
<b>Checking Balance:</b>	_____	_____
<b>Gross Sales Revenue:</b>	_____	_____
<b>Federal Tax ID Number:</b>	_____	_____
<b>Village Business License #</b>	_____	_____

**Type of Business Entity:** (Circle One)  
 Sole Proprietor  
 Corporation  
 General Partnership  
 Limited Liability Company  
 Limited Partnership  
 Non Profit  
 Other:

**II. Name of Building Owner(s):** \_\_\_\_\_  
 (If different from address above)

**Address of Owner(s):** \_\_\_\_\_

**City, State, Zip Code:** \_\_\_\_\_

**Owners's Phone (work):** \_\_\_\_\_

**Owner's Fax (Work):** \_\_\_\_\_

**Owner's Email address** \_\_\_\_\_

**Business Debt**

**III. Business Debt:**  
 Please include all term loans, credit lines, commercial mortgages, credit cards used for business.

Bank/Creditor	Term/Line	Current Balance	Amount of Line	Monthly Payment	Type of Collateral

**Personal Information**

**IV. Personal Information:**  
 Please provide the following information on all owners who own 20 percent or more of the business.

First Name	Middle Initial	Last Name
Social Security Number	Date of Birth	% Ownership
Address	City/State	Zip Phone
\$	\$	
Monthly Mortgage (PITI)/Rent	Total Other Monthly Payments	Bank Name
Salary from the business last year	\$	Source or Other Income:
Other Household Income	\$	Source of Other Income:
Total Income	\$	
Cash Equivalents		
Other Assets (house, cars, etc.)	+	
Total Assets	=	
Total Liabilities (mortgage, credit cards, etc.)	-	
Net Worth	=	

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## Insurance

### V. Insurance

Please attach a copy of each of the following:

- Current Title Insurance on the property
- General Liability Insurance
- Commercial Property Insurance

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## Project Description

### VI. Project Description

Please provide your proposed project improvements including a timeline. Include any product literature, specifications, brochures, etc. that would be helpful in evaluating your application.

**Energy Usage and Cost Savings**

**VII. Energy Usage and Cost Savings \***

Complete the chart below using the last 12 months of utility bills information and project projections.

Energy Type	Usage			Cost		
	Annual Usage	Projected Annual Usage	Projected Usage Savings	Annual Cost	Projected Annual Costs	Projected Cost Savings

\* Attached copies of relevant energy bills to validate usage.

**Budget**

**VIII. Budget**

Specific Project Costs	Life Span If Equipment	Current Budget	Revolving Loan Request
<b>Total Project Costs</b>			

**Please list the funding sources for the project other than the revolving loan:**

The applicant must demonstrate that they have proof of financing for 75 % of the improvements

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**Energy Audit****IX. Energy Audit**

A Professional Energy Audit is required. The energy audit is to be paid for by the applicant and will not be reimbursed by the Village of Arlington Heights except for the first ten applicants that submit to the program. The Village will reimburse the business up to \$500 but not more than 50% of the audit costs for the first ten companies to submit for the program. Please attach the energy audit to the application.

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**Statement of Understanding****X. Statement of Understanding**

- A. The applicant (undersigned) agrees to comply with the procedures of the Energy Efficiency & Conservation Block Grant Revolving Loan Program.
- B. The applicant further understands that the applicant must submit detailed cost documentation, copies of building permits and all contractors' waivers of lien upon completion of work.
- C. The applicant, owners and all contractors must comply with all federal, state and local regulations.

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**Credit Check Authorization and Certification****XI. Credit Check Authorization**

The Village of Arlington Heights, Illinois is authorized to make whatever credit inquiries that they may deem necessary in connection with this application for a loan, or in the course of reviewing or administering the loan as issued in the connection with this application. The undersigned authorizes any person or reporting agency to compile and furnish to the Village of Arlington Heights any information requested by the Village in connection with the application. Any such information furnished to the Village by any person or any reporting agency shall remain the property of the Village whether or not the Village approves this application.

The undersigned warrants that the information provided has been read and it true, correct, and complete, and the Village may consider this statement as continuing to be true, correct, and complete until a notice of change is provided by the undersigned to the Village. This document has been duly authorized by the governing body of the applicant.

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Contact Phone Number

\_\_\_\_\_  
Contact Email Address

\_\_\_\_\_  
Signature

**XII. Submit Application to:**

Application to be returned to:

Village of Arlington Heights  
Department of Planning & Community Development  
33 S. Arlington Heights Road  
Arlington Heights, IL 60005-1499  
Phone: 847-368-5200  
Fax: 847-368-5988  
Web Site: [www.vah.com](http://www.vah.com)

EXHIBIT C  
CONTRACTOR ESTIMATES

	<b>Total Site Improvement Costs</b>	<b>Grant Eligible Project Costs</b>
<b>Estimate 1</b>		
<b>Contractor Name:</b>		
<b>Estimate 2</b>		
<b>Contractor Name:</b>		
<b>Estimate 3</b>		
<b>Contractor Name:</b>		

DBA Name: \_\_\_\_\_

I, the undersigned, hereby swear and affirm that I am the applicant for the loan program requested in the foregoing application, that I am of good repute, character and standing and that the answers to the questions asked in the foregoing application are true and correct.

I further understand that any untrue, incorrect, or misleading information provided in this application is sufficient cause for the refusal to grant the business loan for the energy efficiency improvements.

I further give my permission to the Village of Arlington Heights or any other agency of the Village to check with any agency or individual named or referred to in this application to verify or clarify any information I have provided in this application.

\_\_\_\_\_  
Signature of Applicant

\_\_\_\_\_  
Print Name

\_\_\_\_\_  
Title