

Interim bridge loan approved for Event Center completion

Written by Holyoke Enterprise

Phillips County Commissioners recently announced that on June 19, they approved an interim construction bridge loan to finance the completion of the Phillips County Event Center.

John Schneider, Holyoke branch manager for Bank of the West, assisted the Commissioners in obtaining the \$1.1 million bridge loan.

A number of factors caused the bridge loan to be needed. Several of the grants awarded to the county will not be paid until project end. The county also accepted a number of pledges from individuals to be paid over a five-year period. The pledges for 2009, 2010, 2011 and 2012 will not come in to the Event Center fund until the year due.

The final factor is the county still remains short about \$365,000 of raising the total estimated cost for the project. These factors necessitated a financing mechanism to cover the construction costs through the end of the project.

The bridge loan will terminate in January, 2010. At that time, the commissioners will be able to pay off monies obtained from outstanding grants and pledges paid for 2009. Pledge monies for 2010-12, plus any remaining shortfall, will be converted to a lease-purchase agreement, allowing the county to finish payment over the next five to seven years.

The County continues to raise funds toward the Event Center. All donations will reduce the final amount of the lease-purchase agreement. Donations still qualify for the Enterprise Zone tax credit of 28.5 percent.

The current projected construction cost is \$3,295,788. When adding architectural fees, utility infrastructure and kitchen appliances, the total estimated cost is \$3.55 million. The county has raised \$1.8 million from 16 grants awarded to the project. It pledged about \$560,000 in matching funds toward those grants. Another \$658,020 has been raised in local fund raising efforts and donations from private individuals.