

SUBJECT: RECOVERY ZONE FACILITY BONDS (RZFBs)

ADOPTED DATE: NOVEMBER 16, 2009

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1. Goals of the Recovery Zone Facility Bond Program:
  - a. To create/retain jobs;
  - b. To encourage private investment;
  - c. Increase tax base.
  
2. Threshold Criteria:

Applicant must meet the following criteria to be considered for RZFBs tax exempt bonds:

  - a. Meet the minimum requirements of published IRS guidelines. Those include any trade or business except residential rental, golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack, gambling business, or sale of alcoholic beverages for off-premises consumption;
  - b. Investment can only occur after July 20, 2009, the day the Recovery Zone was designated;
  - c. Must have an arrangement to purchase the bonds from a financial institution or bond underwriter demonstrating that the project is credit worthy;
  - d. Project will be a catalyst for development or for multiple redevelopment opportunities in the County;
  - e. Project will create new County property taxes within three years of project commencement.
  
3. Evaluation Factors:

Proposals for tax exempt bonds which meet the appropriate threshold criteria will be considered based on the extent to which a project addresses the following evaluation factors:

  - a. The amount of new property taxes to be generated by the project;
  - b. The amount of investment in buildings and equipment;
  - c. The project allows a primary sector business to expand in the County, retains a significant number of jobs in the County, and/or will add jobs.
  
4. Application Procedures:

Cass County has developed certain procedures and forms that must be completed and followed for persons seeking RZFB financing through Cass County. The purpose of the instructions is to help the County facilitate the process through all applicants following the same procedures. It is also the desire of Cass County that applicants check out the legality and feasibility of their projects prior to applying for RZFB financing in Cass County. As a part of that desire, the County requires a \$1,000.00 application fee which is non-refundable.

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Second, a completed application form, a copy of which is attached to this policy, must be completed at the time of the application. Applications must be filed with the County Commission Office by noon on the 10<sup>th</sup> day prior to a County Commission meeting to provide time for review of the application prior to the meeting by the county's legal counsel.

The applicant is responsible for retaining their own bond counsel who shall prepare all necessary resolutions to be adopted by the County Commission. Resolutions must be filed with the County Commission Office by noon on the 10<sup>th</sup> day prior to a County Commission meeting to provide time for review of the resolution prior to the meeting by the county's legal counsel.

5. Fee for Issuing Bonds:

The County has set an issuance fee for RZFB's based on 1% of the size of the issue, with a maximum fee of \$10,000. The application fee and publishing costs are included in the \$10,000 maximum.

6. Other Conditions:

If the bonds are not issued within 120 days after the allocation is given, it expires and goes back into the allocation "pool".

7. The Cass County Commission reserves the right to determine the allocation amount, if any, on a case by case basis.



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2. Applicant's Nature of Business: \_\_\_\_\_

3. Number of Full-Time Employees:    Current    \_\_\_\_\_  
   Proposed    \_\_\_\_\_ (first three years after project completion)

**B. PROJECT INFORMATION**

1. Description of project to be financed with the bond proceeds:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Size of issue requested \$ \_\_\_\_\_

3. Proposed closing date: \_\_\_\_\_

4. Start date of project: \_\_\_\_\_

5. Estimated value of completed project: \$ \_\_\_\_\_

**C. ADDITIONAL INFORMATION**

1. Application fee of \$1,000.

2. Resolution and Notice of Hearing.

3. Application must be filed with the County Commission Office by noon on the 10<sup>th</sup> day prior to a Cass County Commission meeting.

HISTORICAL REFERENCE DATE:        NOVEMBER 16, 2009