

Private Recovery Zone Facility Bonds Use Guidelines and Application

The American Recovery and Reinvestment Act of 2009 (ARRA) creates a new category of tax-exempt private activity bonds called Recovery Zone Facility Bonds. These bonds are for use in areas designated by counties and large municipalities as recovery zones. Recovery Zone Facility Bonds must be issued prior to January 1, 2011.

ARRA provide for DuPage County to allocate volume cap of \$69 million in Recovery Facility Zone Bonds to private industry for development projects. The bonds can be used for the construction of new or expanded buildings and for the purchase of equipment used in the trade or business. Certain restrictions on the use of funds may apply to the rehabilitation or improvement of existing buildings. The benefit of Recovery Zone Facility Bonds to the private sector is a lower cost of financing than traditional methods.

Eligible Industry Sectors:

Most projects qualify including the following sectors:

Corporate Centers, Research and Development, and Information Technology	Finance/Insurance
Healthcare	Transportation Warehousing Logistics
Manufacturing	Hospitality/Tourism/ Retail

Application Process:

- I. Fully completed applications are to be submitted to Choose DuPage. A non-refundable application fee of \$1,500 made payable to Choose DuPage is due when the application is turned in.
- II. A pre-application meeting will be held including the potential applicant, a representative from Choose DuPage, and a representative from the local municipal economic development office. The purpose of the meeting will be to fully explain the program and process to the potential applicant and to review the proposed project.
- III. A fully completed and signed original application with ten (10) copies must be submitted to Choose DuPage, beginning September 23, 2009. Choose DuPage will forward complete applications within thirty (30) days to the DuPage County Economic Development Committee for review. Thereafter the DuPage County Economic Development Committee will take action within thirty (30) days of receipt with final action by the full DuPage County Board at the next regularly scheduled meeting.
- IV. Choose DuPage will conduct a preliminary review of the application to confirm documentation of the following:
 - a. Receipt of a completed application
 - b. Job creation, average wage and salary
 - c. Experience of the applicant
 - d. Shovel ready status of the project
 - e. Support of applicable community
 - f. Use of local labor, material, and supplies
 - g. Evidence of financial commitment

- V. The application will be reviewed by DuPage County's Bond Counsel for eligibility.
- VI. During initial consideration of the application, representatives of the applicant should be prepared to make a brief oral presentation to the DuPage County Economic Development Committee and be prepared to respond to questions about the project.
- VII. If the application is approved by the DuPage County Economic Development Committee it will be sent for review by the full County Board.
- VIII. If the application is approved by the DuPage County Board, the Recovery Zone Bond will be issued assuming all customary closing conditions are satisfied.
- IX. Once approved, the allocation to the applicant is valid for 120 days during which time the bonds must be issued. In warranted cases Choose DuPage may grant extensions.

Job Creation and Verification:

- Wages must be equal to or greater than the entry level occupational wages for the stated positions as calculated by the Illinois Department of Employment Security
- At the twenty four (24) month stage the applicant must fill out The Project Employment Certification Form (Attachment A) and return it to Choose DuPage. One form for each position created or retained.

Fee Schedule:

DuPage County has enacted a fee schedule to be paid by the applicant per application. The schedule includes:

Cost	Fee
Non-refundable application fee	\$1,500
Issuance fee	.5%
DuPage County Bond Counsel review	\$2,000 (approximation)

Please Submit Applications to:

Choose DuPage
 2525 Cabot Dr. #303
 Lisle, Illinois 60532
 PH#: 630-955-2092
www.choosedupage.com

DuPage County, Illinois

Private Economic Recovery Zone Facility Bond Application

Please submit 10 copies of application & attachments

I. APPLICANT INFORMATION

1. Applicant¹ _____

Contact Person: _____

Address: _____

Phone (_____) _____ FAX: (_____) _____

Email address: _____

Federal Tax I.D. No. _____ Referred by _____

2. Is the Applicant a:

Corporation: ___ Partnership: ___ Individuals: ___ LLC: ___

State of Organization: _____

Date of Organization: _____

3. Name of each owner % Owned Home Address

Name of each owner	% Owned	Home Address

4. State the general nature of the Borrower's business:

¹ Legal name of borrowing entity for this project.

II. PROJECT INFORMATION:

1. Type of Project:

Construction of new facilities: _____

Addition / improvement of existing facilities: _____

Acquisition of existing facilities: _____

2. If applicable, a listing of equipment to be purchased

3. Location of Project Site: _____

4. DuPage County Board District: _____

5. Project Costs

- 1. Land Acquisition \$ _____
- 2. Site Development \$ _____
- 3. New Construction \$ _____
- 4. Purchase of Building
(and land) \$ _____
- 5. Renovation Costs \$ _____
- 6. Equipment,
Machinery \$ _____
- 7. Furniture &
Fixtures \$ _____
- 8. Professional Fees \$ _____
- 9. Other (specify) \$ _____
\$ _____
\$ _____
\$ _____

Project Financing

Bond Issue Amount \$ _____

Equity \$ _____

Other (specify) \$ _____

10. Total Project Cost
(round to \$100's) \$ _____

Total \$ _____
(must equal line 10)

6. Briefly describe the project to be financed, including type of construction, square footage, and other pertinent information about the project assets:

7. Is the contemplated facility to be located within the corporate limits of a DuPage County municipality?
Yes: _____ No: _____

8. If Yes, which municipality? _____

9. Has that municipality approved the project? _____

10. If No, when do you plan to obtain municipal approval? _____

11. Is the project site either owned, leased, or under option or contract to purchase by the Borrower? (Please specify) _____

12. Is the proposed site properly zoned?
Yes: _____ No: _____

If not, briefly describe what changes will be needed to obtain proper zoning, and status of the changes: _____

13. Effect of Project on Employment & Payroll:

A. Applicant's number of Current Employees: _____

B. Applicant's current Annual Payroll: _____

C. Number of temporary jobs (including construction) created as a result of the Project: _____

D. Number of new permanent jobs initially created as a result of the Project: _____

E. Number of new permanent jobs created long-term as a result of the Project:
(Permanent jobs is defined as employment in the on-going operations of the enterprise funded from bond proceeds) _____

F. Number of existing jobs that will be retained as a result of the Project: _____

G. Applicant's projected Annual Payroll after the first year of the project: _____

14. Listing of all local labor, suppliers and, materials to be used on the proposed project:

15. Certified Public Accountant:

List the name of the certified public accounting firm(s) which has (have) performed audits of the Applicant's books and records for the past five years.

III. PROJECT FINANCING

1. Please provide target dates on the following:

1. Issue the bonds: _____

2. Begin the project: _____

3. Complete the project: _____

2. Investment Banking Firm: _____

Contact Person: _____

Address: _____

Phone (_____) _____ FAX: (_____) _____

Email address: _____

A. Regarding the placement of the bonds, will there be a private placement _____ or public issuance _____? (check one)

B. Do you anticipate credit enhancement for the bonds? *Yes _____ No _____

*If yes, who is providing credit enhancement? _____

C. Will the bonds be rated? Yes _____ No _____

D. If so, by which rating agency? _____

E. What rating on the bonds do you anticipate? _____

F. Bond Purchaser: _____

Contact Person: _____

Address: _____

Phone (_____) _____ FAX: (_____) _____

Email address: _____

3. Has the Applicant or any of the Applicant's management or affiliates ever been connected, ever defaulted on its debt obligations, been involved in bankruptcy, creditor's rights, or receivership proceedings on the handling of financial matters? Yes: _____ No: _____

4. If Yes, please give details _____

IV. MISCELLANEOUS INFORMATION

1. Bond Counsel: _____

Contact Person: _____

Address: _____

Phone (_____) _____ FAX: (_____) _____

Email address: _____

2. Legal Counsel to the Applicant: _____

Contact Person: _____

Address: _____

Phone (_____) _____ FAX: (_____) _____

Email address: _____

DuPage County, Illinois
Private Economic Recovery Zone Facility Bond Application

ATTACHMENTS

Please enclose the following. Indicate if attached (x) or not applicable (N/A)

PROJECT DESCRIPTION

_____ Narrative Description of the project. Please briefly describe the project, why it is needed, any special equipment or amenities that will be purchased or developed, and what the borrower hopes to accomplish with this project. A copy of all signed leases or documentation of future signed leases if applicable.

_____ Business Plan. A fully developed business plan including but not limited to a description of the product or service, a description of the existing market for the product or service, the experience of the development team, financial statements, and documentation of the economic impact of the project.

FINANCIAL

_____ Historical. If an existing company, balance sheet and profit & loss statement for last three fiscal years. Include accountant's opinion letter and any schedules and notes to financial statements.

_____ Current. If most recent statement is over sixty days old, attach current balance sheet and profit & loss statements.

OTHER

_____ Preliminary Opinion of Bond Counsel. A letter from Bond Counsel providing an opinion that the project qualifies as a "Project" under the American Recovery and Reinvestment Tax Act of 2009.

_____ Bond Purchaser Letter A preliminary letter of commitment to purchase the bonds when issued or a favorable opinion as to the marketability of the bonds by an underwriter or financial institution.

_____ \$1,500 non-refundable application fee made payable to Choose DuPage.

Applications should be filed with:

Choose DuPage
2525 Cabot Dr. #303
Lisle , Illinois 60532 Phone: 630-955-2090

The undersigned acknowledges that the statement made in this application are truthful and gives Choose DuPage and DuPage County permission to discuss the applicant company's financial information among the applicant's financial services lender(s), underwriter and bond counsel.

Dated _____, _____

Borrower

Borrower's Representative - Name and Title

Attachment A
EMPLOYEE SELF-CERTIFICATION FORM

(Date)

Dear Employee:

Please provide the information requested on this form so that DuPage County can verify that your employment here is achieving the goals of the DuPage County economic development program.

Name: _____

Full Time Position: _____ Wage: _____

Location: _____

Signature: _____