

# **Kane County Recovery Zone Facility Bond Program**

## **Application Instructions**

### **General Information**

The American Recovery and Reinvestment Act (ARRA) created a new category of bonds called Recovery Zone Facility Bonds. These bonds are intended to stimulate the economy by providing the private sector with access to lower-cost financing compared to traditional methods. Recovery Zone Facility Bonds are “private activity” bonds, the proceeds of which are exempt from the gross income of obligation holders for federal tax purposes.

Facility Bonds may be used to help businesses finance the acquisition, construction, and/or rehabilitation of property used in their businesses, and for the purchase of equipment used in their trade or business. Kane County has been authorized to issue up to \$25,230,000 in Recovery Zone Facility Bonds for projects located within the corporate limits of the county, but outside the Cities of Aurora and Elgin, which received separate allocations. When issued, Recovery Zone Facility Bonds will not be general obligations of the county or payable from any taxes or other revenues of the county. Rather, they will be paid from project revenues or other revenues received pursuant to a loan agreement or other similar agreement. All Recovery Zone Facility Bonds must be issued prior to January 1, 2011.

### **Eligible Business Sectors**

Projects eligible for Recovery Zone Facility Bond financing include professional, business, and medical office buildings; warehouses and storage facilities; commercial developments (including retail businesses, shopping centers, auto dealerships, and restaurants); agricultural facilities; and manufacturing facilities. Residential rental projects are not eligible.

### **Application Process**

1. Applications are to be submitted to the Kane County Office of Community Reinvestment (719 Batavia Avenue, Geneva IL 60134) by 4:30 pm, Friday, June 4, 2010. Each applicant is required to submit one unbound original plus fifteen copies of the application (including attachments), and one PDF version of the application (including attachments). A non-refundable application fee of \$500 made payable to Kane County is due at the time of submittal. The county reserves the right to request additional information regarding any application submitted under the Recovery Zone Facility Bond Program.
2. The county will conduct a preliminary review of each application to confirm that all required documentation has been submitted. All applications will be reviewed by Kane County’s Bond Counsel to confirm their eligibility.

3. Eligible applications will be evaluated by the county's Economic Development Advisory Board. Applicants will be advised of the meeting date and time once it is scheduled so that they can attend. The Advisory Board will base their evaluations on the following criteria:
  - a. Overall economic impact, including the potential for the project to serve as a catalyst for additional investment in the neighborhood and/or community.
  - b. Potential to create/retain jobs, both short-term construction jobs and long-term employment opportunities for area residents.
  - c. Capacity, experience, and track-record of the applicant and their development team.
  - d. Project feasibility and readiness to proceed quickly.
  - e. Use of local labor, suppliers, and materials.
  - f. Consistency with county/municipal plans, as well as level of municipal support if the project is located within the corporate boundaries of a municipality.
4. The Economic Development Advisory Board will issue recommendations to the County Board's Development Committee for review, with final action by the full County Board at its next regularly scheduled meeting.
5. All bond allocations are valid for 60 days from the date of adoption of a bond inducement resolution by the county, during which time the bonds must be issued. The county may, in its sole discretion, grant a 14-day extension of this deadline for good cause.
6. Prior to issuance of the bonds, the applicant shall provide the county with relevant bond closing documents. The county will charge the applicant for legal work and other services deemed necessary by the county in connection to the issuance of Recovery Zone Facility Bonds. [In addition, the county may charge a fee of up to .5% of the face amount of the bonds.] Finally, the applicant will be required to report employment and payroll generation as prescribed by the County.

## **Questions**

Please contact the Kane County Office of Community Reinvestment at 630-208-5351 if you have questions regarding this application packet, or the Recovery Zone Facility Bond Program in general.