



PRIVATE ACTIVITY BOND AUTHORITY

An Office of the Utah State Department of Community and Culture

MANUFACTURING FACILITY APPLICATION

The purpose of this application is to provide information to the Utah Private Activity Bond Authority Review Board to aid in allocation of Volume Cap.

In recognition of the intense competition for this important and scarce resource available under the State ceiling, applicants are required to provide full explanations of the need for tax-exempt bond financing for the project and the public benefits of the project. The applicant should be aware that there is a limited amount of Volume Cap and there is the possibility of insufficient funds to accommodate all applicants. Therefore, careful comparison of individual requests is necessary to promote the highest and best use of the Volume Cap. To facilitate careful comparison and evaluation of each submission, please complete the application in its entirety. Among the criteria used in the evaluation are:

- a. Public benefit to the community and state, including: new employment, wages and distribution of wages, programs promoting employee education and skill.
- b. Community support and sponsorship.
- c. Efficiency as measured by employee/bond ratio.
- d. Demonstrated need for tax-exempt financing.
- e. Innovative financing (i.e. use of other sources of funding).
- f. Construction and equipment costs.
- g. Location of facility: rural, areas with high unemployment rates, disadvantaged economic areas, etc.
- h. Financial capacity of applicant.

The applicant is required to submit two (2) original copies and one (1) electronic copy on a CD of the completed application along with any attachments, and exhibits on or before the deadlines listed on the web site. **The application fee (made payable to the Private Activity Bond Authority) is due at the time of submission.** Incomplete applications, including omitted fees, are subject to disqualification. For a schedule of fees, application deadlines and meetings of the Private Activity Bond Authority Review Board, please refer to the web site at:

http://community.utah.gov/housing_and_community_development/PAB/index.html.

Send application and application fee to:

Roxanne C. Graham
Private Activity Bond Authority
324 South State Street, Suite 500
Salt Lake City, UT 84111

Questions regarding the application process or Private Activity Bond Authority Program should be directed to:

Roxanne C. Graham
Phone: (801) 538-8699
Fax: (801) 538-8888
E-mail: roxanneg@utah.gov

**Private Activity Bond Review Board
Manufacturing Application**

Part 1 – Financing Team Information

1. Applicant of Bonds

Name of Issuing Agency:
Name of Senior Official:
Title of Senior Official: Telephone:
Mailing address: FAX:
City E-Mail:
State:
Zip Code:
Issuer's Federal Identification No:

2. Public Jurisdiction (jurisdiction in which proposed project is located, if different from above)

Name of Jurisdiction:
Name of Contact Person:
Title of Contact Person: Telephone:
Mailing Address: FAX:
City E-Mail:
State:
Zip Code:

3. Applicant Contact

Name of Staff Person:
Title of Staff Person:
Name of Agency: (if different from #1 above) Telephone:
Mailing Address: FAX:
City E-Mail:
State:
Zip Code:

4. Bond Counsel

Name of Firm:
Name of Attorney:
Mailing Address of Firm: Telephone:
City FAX:
State E-Mail:
Zip Code:

5. Bond Underwriter

Name of Firm:
Name of Contact:
Mailing Address of Firm: Telephone:
City FAX:
State E-Mail:
Zip Code:

6. Private Placement Agency (If Applicable)

Name of Firm:
Name of Contact:
Mailing Address of Firm: Telephone:
City: FAX:
State: E-Mail:
Zip Code:

7. Private Placement Bond Purchaser (If Applicable)

Name of Firm:
Name of Contact:
Mailing Address of Firm: Telephone:
City: FAX:
State: E-Mail:
Zip Code:

8. Credit Enhancement Provider

Name of Firm:
Name of Contact:
Mailing Address of Firm: Telephone:
City: FAX:
State: E-Mail:
Zip Code:

9. Financial Consultant

Name of Firm:
Name of Contact:
Mailing Address of Firm: Telephone:
City: FAX:
State: E-Mail:
Zip Code:

10. Trustee

Name of Firm:
Name of Contact:
Mailing Address of Firm: Telephone:
City: FAX:
State: E-Mail:
Zip Code:

11. Other Participants

Name of Firm:
Name of Contact:
Mailing Address of Firm: Telephone:
City: FAX:
State: E-Mail:
Zip Code:

Part 2 – Executive Summary

Please provide a short executive summary, as an exhibit, describing the company, its product(s), annual sales and the role of the proposed project. You may include any company literature or brochures in the exhibit.

Part 3 – Allocation/Bond Issue Information

1. Amount of Allocation requested:
2. Proposed date of bond issuance and proposed terms:
3. Date of Inducement:
(Attach as Attachment “A” – Copy of the adopted resolution.)
4. Date of TEFRA Hearing:
(Attach as Attachment “B” – copy of TEFRA resolution or Certification from Applicant as to the date, time, location, and likely outcome of the public hearing and the approval of the issuance of bonds.)
5. Indicate whether the bonds will be fixed or variable rate: (please circle)
a. Fixed b. Variable

What is the anticipated rate? (fixed or variable):

6. Indicate whether bonds will be sold in a public offering or in a private placement:
7. Indicate if the bond issuance will be used to refund an outstanding issue:
8. Briefly describe credit enhancement structure or private placement transaction:
(Include at a minimum, the construction or interim financing, if applicable the amount, closing deadline, security/collateral provided, guaranties, anticipated closing date. Attach as Attachment “C” – Credit Financing Description as required above and a copy of the commitment letter and/or addition information.)
9. Anticipated bond rating:

	Rating	Date Rating Anticipated
Fitch:		
Moody’s:		
Standard & Poor’s:		
Other:		

10. Indicate need for amount of tax-exempt bonds requested:
(Attach as Attachment “D” if necessary.)
11. Indicate alternative financing in the event the tax-exempt bond request is denied or reduced:
(Attach as Attachment “E” if necessary.)

12. List all sources of financing for the project at completion:

	Amount	% of Total
Tax-exempt Bonds		
Taxable Bonds		
Equity Contribution		
City or County Grant or other financial assistance		
Other (deferral of fees, etc.)		

13. Anticipated date of bond closing:

Part 4 – Project Sponsor Information

Please answer the following questions for both the project sponsor (borrower) and the user of the facility if different.

1. Official business name, contact person, address, telephone number, FAX, and e-mail:

Borrower:
User:

- 2. Any “doing business as” names:
- 3. Address of project sponsor’s headquarters, if different from address in “1” above:
- 4. Other operating locations in Utah:
- 5. The legal structure of the project sponsor (i.e. corporation, partnership, or sole proprietorship):

Complete the appropriate section below:

Corporation:

- a. Officers of corporation (name and title).
- b. Major shareholders (10% or more).
- c. Date and place of incorporation.
- d. For publicly held corporations, stock exchange on which the company is listed. If traded over the counter or NASDAQ, please indicate.

Partnership:

- a. Names and addresses of general and limited partners, and share of ownership.
- b. Date and name of partnership.

Sole Proprietorship:

- a. Name and address of proprietor.
- b. Date and place of establishment.

Corporate, Partnership and Sole Proprietorship must complete:

6. Federal Tax identification number for project sponsor and user, including IRS Office where tax returns are filed.
7. Description of firm's products, identifying specific companies and types of customers (i.e. discount retailer, etc. If necessary, present as an attachment. Attach as Attachment F).
8. Description of present physical facilities, including size and use of facility.
9. Other tax-exempt financing currently outstanding.
10. If the project sponsor or user is an owner, subsidiary or affiliated directly or indirectly with any other business organization, indicate relationship.
11. Attach, as Attachment "G" – Financial Statements of the project sponsor for the past three years. For public corporations, these should be the latest 10Ks; for private companies, the highest level (i.e. highest level refers to compilation or audited financial statements)

Legal Status of the Applicant and Project Sponsor (ALL MUST COMPLETE):

1. Has the applicant filed a bankruptcy or receivership case or had a bankruptcy or receivership action commenced against it, defaulted on a loan, or been foreclosed against in the past 10 years? If so explain:
2. Is the applicant currently a party to, or been notified that it may become a party to, any civil litigation that may materially and adversely affect:
 - a) The financial condition of the applicant's business; or
 - b) The project that is the subject of the application? If so, please explain:
3. Have there been any administrative or civil settlements, decisions, or judgements against the applicant within the past ten years that materially and adversely affected:
 - a) The financial condition of the applicant's business, or
 - b) The project that is the subject of the application? If so, please explain and state the amount:
4. Is the applicant currently subject to, or been notified that it may become subject to, any civil litigation, examination, or investigation by a local, state or federal licensing, accreditation, or regulatory or enforcement agency? If so, please explain:
5. In the past ten years, has the applicant been subject to any civil or administrative proceeding, examination, or investigation by a local, state or federal licensing or taxing accreditation agency, a local, state or federal taxing authority, or a local state or federal regulatory or enforcement agency that resulted in a settlement, decision or judgment? If so, please explain:

Criminal Matters (ALL MUST BE COMPLETED):

1. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation of any kind that could result in felony charges against the applicant? If so, please explain:
2. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation of any kind that could result in misdemeanor charges against the applicant for matters relating to the applicant's business? If so, please explain:
3. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation of any kind that could result in criminal charges against the applicant for any financial fraud related crime? If so, please explain"
4. Is the applicant currently a party to, or the subject of, or been notified that it may become a party to or the subject of, any criminal litigation, proceeding, charge, complaint, examination or investigation of any kind that could materially affect the financial condition of the applicant's business? If so, please explain:
5. Within the past ten years, has the applicant been convicted of any felony? If so, please explain:
6. Within the past ten years, has the applicant been convicted of any misdemeanor related to the conduct of the applicant's business? If so, please explain:
7. Within the past ten years, has the applicant been convicted of any misdemeanor for any financial or fraud related crime? If so, please explain:

Part 5 – PROJECT INFORMATION

1. Project Name:
2. Project Address:
City:
County:
Zip Code:

Size of the Project Site:
Cost of Property only:
Type of Project – New construction or acquisition/rehab:
3. Attach a description of the current improvements on the site, including state of site, current use and size. If this site is currently vacant, please describe the prior use. (Attach as Attachment H.)

4. Indicate by “yes” or “no” that the project sponsor currently owns the site:
 If the project sponsor does not own the site, attach a description of escrow agreement or real estate purchase contract, options or other evidence the project sponsor’s control of the site.
 (Attach as Attachment I.)

If the property was acquired from a related party, please explain:

5. Proposed Project Description. (Attach as Attachment J.))
- a. Description of project, including:
- Number of buildings.
 - The number of square feet to be constructed or renovated.
 - The use of the square feet.
 -

Use	Size in Square Feet	% of Total Building S.F.
Manufacturing		
Storage of materials		
Storage of finished product		
Office		
Research		
Lease to Other Party		
Total SF of building(s)		

- The type of equipment being purchased.
- If possible, contracts of purchase or any other pertinent information.

If this is an acquisition/rehab project, please indicate the following:

- Age of the building(s).
 - Appraisal, if available.
 - Capital Needs Assessment, if available.
- b. Estimated time of construction or renovation, including the start date and the completion date.
- c. Principal products, uses and activities of the project.
- d. Estimated useful life of the building, equipment.
- e. What percentage of equipment will be purchased from Utah providers?
- f. What is the estimated cost of equipment purchased from Utah providers?

6. Costs of the Project

State the total costs associated with the acquisition of the site and construction of the proposed project, including any utilities and proposed machinery and equipment purchases. Separate costs based on their financing sources.

Item	Amount Paid from PAB Bond Proceeds	Amount Paid from Other Sources
Acquisition of land		
Acquisition of buildings		
Fees & other charges related to sale		

Rehabilitation of existing building(s)		
Site preparation		
Construction Cost of new building(s)		
Utility connections		
Acquisition of Equipment		
a. New		
b. Used		
Installation equipment costs		
a. New		
b. Used		
Invoices		
Architect/Engineer		
Permits and Fees		
Bond Issuance Expenses (including any discount)		
Letter of Credit or Bond Insurance Fees		
Interest during construction From: To:		
Interest income during construction From: To:		
Other: (please explain)		
Total Project Costs:		
Total Overall Costs:		

NOTE:

- Only 25% of bond proceeds may be applied to the acquisition of land. This cost includes the cost of demolition of any existing buildings.
- Total of issuance expenses paid from bond proceeds cannot exceed 2% of the face value of the bonds.
- Project costs may not include working capital, moving expenses, inventory assumption, repayment or refinancing of existing indebtedness other than construction loans.

7. Answer “yes” or “no” to indicate if construction and completion of the project will have any adverse environmental impact, including additional waste disposal.
If yes, please explain.

8. Please estimate types and costs of new public services or infrastructure improvements required by the project, including utility upgrades and street improvement. Provide estimates. (Attach as Attachment K.)

Relocation (complete only if there is relocation of employees):

If the financing is required for relocation of a facility with the state of Utah, attach the documentation containing all of the following information in items 1 through 3. (Attach as Attachment L.)

1. The relocation is due to one of the following:
 - a. An inadequacy of the existing facility.
 - b. A significant change in the company's operations requiring a different location.
 - c. A building moratorium where the existing facility is located.
 - d. Expiration of the existing lease and proof that it cannot be renewed on reasonable economic terms.
 - e. An economic need to move closer to the company's customers or suppliers.
 - f. Inability to find adequate expansion space.
 - g. Other.
2. Whether sponsor or user will retain its current employees at the new facility. If so, describe steps the company will take to mitigate the effects of the relocation of its current employees.
3. Whether relocation is necessary to prevent the relocation of substantial operations of the company outside the state, or the abandonment of substantial operations of the company. If so, please explain.

Part 6 – PUBLIC BENEFIT

The primary criterion used to evaluate a proposed project is the public benefit it generates. The principle benefit is employment followed by wages. While the benefits generated by the construction are important, it is the long-term benefits generated by the operation of the facility that are most important. In order to estimate the direct and indirect benefits of the project, this section begins by a review of the characteristics of the proposed site. Clearly, an area that has lower incomes and employment will benefit more from a new facility than one that is performing well. **Consider the following questions and answer with “yes” or “no” as it may be related to this project:**

1. Is the proposed project located in a community with an unemployment rate equal to or greater than 125% of the statewide average?
2. Is the proposed project located in a community with a median household income 80% or less than the statewide average?
3. Is the proposed project located in a community that has been designated as a “hard to develop area for residential projects”?
4. Is the proposed project located in an Enterprise Zone or another Special Designation Area?
5. Is the proposed project located in a community that has a poverty level equal to or greater than the statewide average?

If any question can be answered with **YES**, please explain in an attachment. (Attach as Attachment M.)

Job Creation

Using the chart below, provide the project sponsor's or user's current figures on employment and sales volume and the best estimate of these figures at the completion of the project and two years after completion:

Statewide Operations

	Current	Upon Completion	2 Years after Completion
Number of Locations:			
Total Sales Volume:			
Number of Employees:			
Total Payroll:			

Project Site:

	Current		Upon Completion		2 Years after Completion	
	# of Employees	Average Hourly Wage	# of Employees	Average Hourly Wage	# of Employees	Average Hourly Wage
Total Employment:						
Management:						
Skilled:						
Semi-Skilled:						
Unskilled:						
Total Payroll:						

Weighted Average Hourly Wage:

Other Public Benefits:

1. When completed, what will be the annual property taxes for the facility?
2. Will the company offer any on-site training? If yes, please explain.
3. Will the company be involved with the local school district in providing job training to students? If yes, please explain.
4. Will the company pay a percentage of the employee medical plan? If yes, please explain.
5. Will the facility have an energy efficient design and construction? If yes, please explain.
6. What percent of taxable bonds will be used to finance the project?
7. Has the community (city, town or county) contributed any financial resources to the project? If yes, please explain.

Part 7 – ATTACHMENTS & EXHIBITS

Please attach each attachment and exhibit separately.