



Regional CFA Workshop

Empire State Development

INDUSTRIAL DEVELOPMENT BOND CAP

INDUSTRIAL DEVELOPMENT BOND CAP



Program Description

Up to \$350 million of the 2014 Statewide private activity bond allocation (“volume cap”) authority under federal guidelines, will be dedicated to facilitate lower cost tax-exempt bond financing for qualified projects by authorized State agency and/or local government issuers, or projects originating through Regional Economic Development Councils.

IDB Cap is available for state and local government issuers to sell tax-exempt bonds for private projects that demonstrate a public purpose.

***Funding mechanism: Local Industrial Development Agencies act as conduit financiers by selling tax exempt bonds to private investors to fund economic development projects.*

INDUSTRIAL DEVELOPMENT BOND CAP



Program Description

In order to receive the benefits of a tax-exempt interest rate, private borrowers and their projects must be eligible under one of the federally-recognized private activity bond categories described in Internal Revenue Code (IRC) sections 142-144, and 1394.

Such categories include:

- Multi-family and/or elderly rental housing for low income residents – if multi-family, what percent of the units are set aside for low income residents;
- Residential Rental Facilities;
- Small (less than \$10 million) manufacturing Projects;
- Local furnishing of electric energy or gas;
- Local district heating or cooling facilities;
- Sewage facilities and solid waste disposal facilities;
- First-time farmers property, equipment, and other capital improvements; and
- Utility projects, including water, sewer, electric and gas.

INDUSTRIAL DEVELOPMENT BOND CAP



Applicant Eligibility Requirements:

Applicants must be authorized issuers (e.g., local industrial development agency (IDA)) or agents of such authorized issuers (e.g., project applicants that have applied to/been induced by an authorized issuer for financial assistance).

Note: Where an applicant is not the authorized issuer, the authorized issuer must be included as an additional contact/co-applicant.

Projects must meet eligibility requirements of the federal Internal Revenue Code and any laws/ rules/ regulations governing the issuance of private activity bonds and the provision of financial assistance by the authorized issuer.



Project Disbursements Method

Volume cap allocation award letter will be provided to local issuer (e.g., IDA) upon such issuer's notification to ESD that bond issuance date (closing) has been scheduled for the applicant project.