

CITY OF EAU CLAIRE, WISCONSIN

Policy and criteria for the Review of Municipal Industrial Revenue Bond Financing Applications

GENERAL

The City of Eau Claire is granted the power to issue revenue bonds under Section 66.521 of Wisconsin Statutes. The Eau Claire City Council, being aware that such financing may help build a community's industrial base, broaden the property tax rolls, and provide jobs, has expressed its support for the use of such financing but has reserved the right to approve or reject projects on a case-by-case basis. The following criteria have, therefore, been developed as a guide for review of applications:

1. Criteria

- A. The project is to be compatible with the overall development plans and objectives of the City and of the neighborhood in which the project is located.
- B. New businesses locating in Eau Claire must show relatively substantial new employment and tax base being generated by the project.
- C. Locating in areas of the City that the City wished to develop, redevelop, or which in any way complements any development plans or policy of the City, will constitute a prime purpose under these guidelines. It is also the City's intent to assist in business expansions or relocations within the City where it can be shown that such would have a substantial, favorable impact on employment or tax base, or both.
- D. It is the City's intent to assist new or existing businesses in the acquisition of existing facilities, where such acquisition will maintain the stability of the tax base, or of employment, or both.
- E. The project must not put a burden on existing City services or utilities beyond that which can be reasonable and economically accommodated.
- F. The applicant (and/or the lessee in the case of property to be leased) must have a good financial standing, show a substantial net worth, or equity in the project, or both, and have an acceptable earnings history or pro-forma.
- G. Applications for acquisitions of or replacement of machinery and equipment will be discouraged unless in conjunction with a totally new business in Eau Claire, a physical plant expansion of an existing business, or where it is shown that the equipment acquisition is essential to the continued operation of the business in Eau Claire. Also, it is the City's intent to assist where possible in the acquisition of pollution control equipment for any new or existing business being required to meet mandated standards.
- H. The applicant will assume all expenses and reporting requirements (including those imposed under the Tax Equity and Fiscal Responsibility Act of 1982) required as a result of the IDB issue.

2. Procedures

- A. The applicant must not commence any part of the construction of the project until there has been preliminary approval by the City Council (initial resolution).
- B. The applicant shall make an application for financing on forms available from the Department of Finance of the City of Eau Claire. The completed application is to be returned to the Director of Finance, accompanied by the processing fee, whereupon the application will be forwarded to the Staff Review Committee and such committee shall forward a recommendation to the City Council (see schedule on 3D). Specific findings shall be made and recited regarding the criteria, as well as satisfaction of public purposes of the Act. If acceptable to the City Council, an initial resolution will be passes at this point.
- C. The applicant shall submit a timetable for completion of the project as part of the application and any apparent major deviation (12 months or more) from that timetable will automatically cause the application to be brought back to the City Council for review.
- D. The applicant is to select qualified financial consultants and/or underwriters, as well as recognized bond counsel, to prepare all necessary documents and materials. The City may rely on the opinion of such experts. Financial material submitted will include most recent fiscal year-end, audited, financial statements of the applicant and/or any major lessee tenant, if readily available.
- E. Further, the applicant will be required to furnish the City, before passage of the final resolution, a comfort letter (but not necessarily a letter of commitment) from the lending institution, to the affect that said lending institution has reviewed the economic feasibility of the project, including the financial responsibility of any guarantors and find that, in their professional judgment, it is an economically viable project.
- F. The applicant shall furnish, along with the application, a description of the project, preliminary site plan, rendering of proposed building, etc., and a brief description of the applicant's company, all in such form as shall be required at the time of application.

3. Administrative

- A. The City Council reserves the right to deny any application for financing at any stage of the proceedings prior to adopting the final resolution authorizing issuance of industrial development financing.
- B. The City is to be reimbursed, and held harmless, for and from any out-of-the-pocket costs related to the actual or proposed issuance of the bonds. In addition, a \$1,000 application fee is due with the application. This payment will be nonrefundable. Upon issuance of the bonds, a \$4,000 processing fee shall be due.
- C. All applications and supporting materials and documents shall remain the property of the City. Note that all such materials may be subject to disclosure and/or public review under applicable provisions of State law.
- D. The timetable for the initial application process will be generally as follows:
Application submitted

Review & recommendation by
staff (if application is complete) 2 weeks

City Council consideration of
initial resolution Approximately 30 days
after submission of application

Note: All information requested in the application must be completed in order to
be considered.

A \$1,000 check must accompany the completed application. An additional
\$4,000 shall be due at closing.

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