

Goodyear Industrial Development Authority

Program Summary

GOODYEAR AZ

www.goodyearaz.gov

Industrial Development Authority

The Industrial Development Authority provides tax-exempt financing through industrial revenue bonds for the financing or refinancing of the cost of acquisition, construction, improvement, rehabilitation or equipping of a project.

Generally speaking, the proceeds of the Bonds can be used for either the purchase or lease of land, buildings, machinery or equipment which is suitable for:

Industrial Projects:

- Manufacturing, processing, or assembly.
- Warehousing, distributing or selling of industrial, agricultural or mining products
- Buildings that serve as company headquarters or regional offices.
- Adaptive reuse for offices of buildings listed on the National Register of Historic Places.
- Healthcare institutions as defined in Arizona Revised Statutes.
- Convention or trade show facilities.
- Facilities for airports, commuting, parking, or related training.
- Facilities for solid waste or sewage disposal, electric energy, gas, or water.
- Industrial park facilities.
- Air or water pollution control facilities.
- Research and development facilities.
- Select commercial enterprises located in a designated redevelopment area.
- Certain transportation facilities.

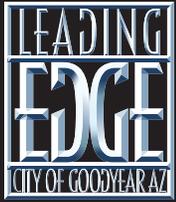
Non-Profit Projects:

- Certain child welfare agencies owned and operated by a nonprofit organization.
- Educational institutions operated by a nonprofit organization which is nationally accredited and not funded by state monies or any educational institution established under Arizona law as a charter school and owned by a nonprofit organization.
- Museums operated by a nonprofit organization.
- Facilities owned or operated by a nonprofit organization that is primarily engaged in delivering community services on that property consisting of fitness programs, camping programs, health and recreation services, youth programs, child care, senior citizen programs, individual and family counseling, employment and training programs, service for individuals with disabilities, meals, feeding programs or disaster relief.

Housing Projects:

- Single family owner-occupied housing.
- Multifamily rental housing, with a portion reserved for low and moderate income persons.
- Rehabilitation of residential buildings located in a registered historic neighborhood.





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Program Summary Continued

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About IDA Funding:

The IDA is a “conduit” lender. It does not directly loan its own funds, but rather, “passes funds through” from third parties that purchase the IDA’s bonds and loan them to the IDA’s borrowers. Under the Internal Revenue Code, interest paid on these qualified loans is, generally speaking, excluded from gross income when calculating Federal and State of Arizona tax liability. The bonds are either sold to the public or privately placed with financial institutions. Often, the company can work with its own bank to secure the bond financing. The bond proceeds can be used to finance capital expenditures made in connection with qualified projects.

5 Things to Know About IDA Funding:

1. The IDA is a “conduit” lender and does not lend out its own money. Funds are disbursed from the bond purchaser to the company, which in many cases is a commercial bank. Typical credit requirements apply.
2. Eligible applicants can be private, non-profit or public organizations.
3. The lender can typically take advantage of the bond’s tax exempt status so interest rates charged to finance the project may be lower than conventional financing.
4. To determine the feasibility for bond financing of the project, an initial consultation with an independent bond attorney and banker is suggested prior to making application.
5. The Industrial Development Authority (IDA) is a non-profit corporation, designated as a political subdivision of the State of Arizona, and is appointed by Goodyear’s Mayor and Council. The IDA holds public hearings when needed.

Steps for IDA Funding:

1. Applicant estimates projects costs and benefits.
2. Applicant meets with independent bond council to determine feasibility of application.
3. Applicant refines costs and works with financing source.
4. Applicant submits the application with \$3,000 nonrefundable fee to the IDA for preliminary approval.
5. Within 30 days, the IDA will hold public meeting for preliminary approval.
6. IDA financial and legal advisors review application and make recommendation.
7. IDA requests Arizona Dept. of Commerce allocate funds against the state volume cap if necessary.
8. Applicant submits request for final IDA approval.
9. Within 30 days, IDA holds public meeting for final approval.
10. Goodyear City Council votes to decide final approval.
11. The bonds are sold (either privately or publicly) and the transaction closes.



For more information, contact:

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