

# County of Placer

## Invitation for Funding Applications for Recovery Zone Facility Bond Program

### **Purpose/Background**

The County of Placer, through its Office of Economic Development and Redevelopment Agency (“Agencies”), is requesting applications from Placer County project proponents that are “shovel ready”, and are able to demonstrate eligibility for Recovery Zone Facility Bond Financing. The American Recovery and Reinvestment Act created a new category of tax-exempt bonds called Recovery Zone Facility Bonds (RZFBs), a type of private activity bond created by the American Recovery and Reinvestment Act, passed by Congress in February 2009.

Proceeds from the bonds may be used to finance new construction, modernize or upgrade existing space, or purchase new equipment for a variety of business development activities. RZFB financing may be the most competitive financing option available as they provide a method to access the private capital markets at tax-exempt rates. The RZFB interest rate is significantly lower than bank financing because the interest paid to investors is exempt from State and Federal income tax.

The County would issue the bonds. The RZFB Program substantially increases the breadth and depth of borrowers that may access tax-exempt debt to finance capital projects. RZFB’s are available to any borrower with capital expenditures within a Recovery Zone.

**Important Note:** This program is not a grant, nor does it provide direct funding, but merely allocates the authority to issue tax-exempt bonds to finance Recovery Zone Property. RZFBs enable private borrowers to borrow less expensively than conventional means.

The Placer County Board of Supervisors on November 3, 2009, designated the entire County as a “Recovery Zone” per Resolution No. 2009-315. The County has an allocation of \$6,841,000 in Recovery Zone Facility Bonds. RZFBs must be issued prior to January 1, 2011.

### **Eligibility/Submittal Requirements**

All submissions shall include a one page cover letter on company letterhead, containing a brief narrative description of the proposed project and amount of funds being requested, signed by the potential borrower and dated. The submittal should also contain a completed application form with any necessary application-related attachments or exhibits.

Certain property does not qualify under this program; including undeveloped land, rental property, residential rental property and property used for certain kinds of activities such as golf courses, casino’s and several others listed in federal tax code regulations pursuant to this program. Refinancing of existing debt is also not an eligible activity.

Each project identified must be “shovel ready” within the next two years and must have a financing need of at least \$3,000,000. Projects must demonstrate their potential for near-term job creation, potential for leveraging long term regional economic benefit, and community revitalization.

The agencies reserve the right to request any additional information or documents from proposer that may be necessary to evaluate proposer’s application. Please note that applicants need to determine if prevailing wage requirements shall be applied to projects funded through this program.

Six (6) copies of the application and attachments must be placed in a sealed envelope with a label clearly stating: “Recovery Zone Facility Bonds Application.” Applications must be received no later than 4 p.m. (PST) Friday, December 18, 2009 at the address found in “contact information”. Incomplete or late applications will not be accepted after the deadline.

### **Evaluation Process**

The Agencies have formed an Evaluation Panel, (The Panel) and will use a competitive process to award the County’s RZFB allocation. The County must submit a “Plan of Issuance” to the State Treasurer on or before January 29, 2010 therefore it is essential that projects are in a state of “readiness”. Projects are deemed ready if there is no major entitlement, permitting or other impediments to the timely construction, modernization, upgrade or purchase of facilities or equipment.

The County seeks to create new jobs both in construction and operations activity related to the project(s) assisted with the bonds. Priority will be given to projects which create high skill, higher wage, net new jobs. The County also seeks projects creating additional economic activity and jobs through direct and indirect spending. Economic benefits may also include providing a boost to distressed local business districts; a project that serves as a destination for out-of-town visitors; or providing community revitalization including the provision of neighborhood-serving goods and services, blight removal and/or extraordinary public or private amenities. Quality of design and appropriateness for the neighborhood, and fiscal impact on the County will also be considered.

The Panel will only consider projects that demonstrate a firm commitment to financial feasibility and credit worthiness. The County will issue conduit revenue bonds, and be neither borrower nor lender for the project. The County will not provide credit enhancement or guarantees for the borrowing. Borrowers must obtain their own credit.

The Panel will review and evaluate all applications. Applications will be ranked and the \$6,841,000 million allocated among the highest ranked. The County is not obligated to select any project under this application and applicants are solely responsible for all costs in preparing and submitting applications. Receipt of an allocation does not commit the County to issuing bonds.

#### **Tentative Schedule\***

- Deadline for Application Submission – 4 p.m. PST, Friday, December 18, 2009.
- Agencies Review of Applications – December 21-31, 2009
- Tentative Award of Projects – Friday, January 8, 2010
- Board of Supervisor’s Approval of Projects – Tuesday, January 26, 2010.

\*Although the County intends to provide information on a timely basis, dates may be subject to change without advance notice in the County’s sole discretion.

#### **Contact Information**

Questions concerning this application should be submitted in writing to Dave Snyder, Placer County Office of Economic Development, 175 Fulweiler Avenue, Auburn, CA 95603; email: [dsnyder@placer.ca.gov](mailto:dsnyder@placer.ca.gov); Fax (530) 889-4095. Completed Applications shall be submitted to Dave Snyder, Placer County Office of Economic Development, 175 Fulweiler Avenue, Auburn, CA 95603 not later than 4 p.m. on Friday, December 18, 2009.

#### **Disputes Relating to Application Process and Award**

In the event a dispute arises concerning the application process prior to the award of the contract, the party wishing resolution of the dispute shall submit a request in writing to the County Executive Officer. The applicant may appeal the recommended award or denial of award, provided the following stipulations are met:

- Appeal must be in writing.
- Must be submitted within ten (10) calendared days of the date of the recommended award or denial of award letters.

An Appeal of a **denial of award** can only be brought on the following grounds:

- Failure of the County to follow the selection procedures and adhere to requirements specified in the Invitation for Funding Applications or any addenda or amendments.
- There has been a violation of conflict of interest as provided by California Government Code Section 87100 et seq.
- A violation of State and Federal law.

Appeals will not be accepted for any other reasons than those stated above. All appeals must be sent to:

Thomas M. Miller  
Placer County Executive Office  
175 Fulweiler Avenue  
Auburn, California 95603



**APPLICATION FORM  
RECOVERY ZONE FACILITY BOND (RZFB) PROGRAM  
(Due Friday, December 18, 2009 at 4 p.m.)**



**A. Interested Parties**

**1. Applicant**

Applicant Name:

Address:

City: State: Zip Code:

Contact Name: Telephone Number: Email:

Description of the firm's business:

**2. Proposed Borrower's Counsel**

Name of Firm:

Name of Attorney:

Address:

City: State: Zip Code:

Phone: Fax Number: Email:

Briefly describe experience with federal tax-exempt bond programs:

**3. Proposed Investment Banker/Bond Underwriter or Private Placement Lender (As applicable)**

Name of Firm:

Name of Contact Person:

Address:

City: State: Zip Code:

Phone Number: Fax: Email:

Briefly describe experience with conduit revenue bond structuring and placement.

**B. Proposed Project**

**1. Indicate the amount of the requested allocation. Provide a detailed description of the depreciable property proposed to be financed with RZFBs. Describe how the project fits into Applicant's business as described in Item A.1. above.**



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**2. Describe the Site (provide and attach a map as Exhibit 1).**

Address:

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_

Current Zoning:

Current Use:

**3. Describe required federal, state (CEQA) and/or local environmental approvals. Indicate how these approvals were received or are expected to be received and approving agency. Describe any potential issues or delays in obtaining approvals.**

**C. Proposed Financing**

**1. Description. Describe the proposed financing including the use of RZFBs.**

**2. Provide a sources and uses of RZFBs and Proforma. Note how project costs were determined.**

**3. Describe how borrower will obtain credit to support the proposed financing. The County will not provide credit support for the borrowing.**

**4. Provide a letter of interest or a commitment from the lender for the project. Finalists for RZFB allocations will be required to provide a lender commitment in order to obtain allocation.**

**5. Provide a financing timetable.**



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**D. Project Benefits**

**1. Indicate if the Project is located in a County redevelopment project area.**  
<http://www.placer.ca.gov/Departments/CEO/Redevelopment.aspx>

- Yes
- No

**2. Outline the project readiness and expected timing to draw down on the proceeds of the borrowing including impediments or contingencies e.g. legal, environmental, financial or other applicable factors.**

**3. Employment and Job Creation.**

Describe the number, type and salary ranges of net new direct jobs to be created by the Project: a). during construction, and b.) permanently as a result of the project operations.

**4. Describe and quantify all indirect economic benefits of the project.**

**E. Signature of Authorized Official**

By signing below, the applicant certifies that the information provided in this application attachments and exhibits are true and complete.

Signed by:

Date:

Name (in print):

Title: