

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

CONDUIT BOND PROGRAM

APPLICATION INSTRUCTIONS

1. A 2017 calendar of VSBFA Board meeting dates and application cut-off dates is attached to these instructions.
2. For tax-exempt financings, public notice of the public hearing to be held by the Virginia Small Business Financing Authority (VSBFA) must be published by the Applicant's Bond Counsel in the legal notice section of a newspaper of general circulation in the jurisdiction in which the facility to be financed is or will be located. The Notice should appear once a week for two successive weeks, with the second publication of notice occurring no less than six (6) days or no more than twenty-one (21) days prior to the date of VSBFA's meeting (see calendar). The form of public notice is included in these instructions for your convenience. A certified affidavit from the newspaper of publication of the Notice must be presented to VSBFA prior to or at the public hearing for which publication was made.
3. The Applicant must deliver to VSBFA the application including all required attachments (see next page), AND **a non-refundable application fee of \$1,000.00**. VSBFA's address is:

Virginia Small Business Financing Authority
101 N. 14th St., 11th Floor, Richmond, VA 23219
Mailing Address:
P.O. Box 446
Richmond, VA 23218-0446

4. If you have any questions after reviewing the Application, please call or write to VSBFA at the above address or contact our office at 804-371-8254.

REQUIRED ATTACHMENTS

THIS APPLICATION WILL NOT BE CONSIDERED COMPLETE UNLESS THE FOLLOWING ITEMS ARE SUBMITTED WITH THE APPLICATION FORM (ORIGINAL AND 1 COPY).

- A. Cover Letter - Please enclose a letter which includes (i) a brief history and description of the applicant's business; (ii) a description of the project to be undertaken; and (iii) the benefits the community will receive if the financing is approved.
- B. Fiscal Impact Statement (for tax-exempt financings only) - See Exhibit I of Application.
- C. Commitment letter from financial institution, if available.
- D. Copy of driver's licenses of all owners of applicant with ownership interest of 20% or more.
- E. Public hearing notice (for tax-exempt financings only).
- F. **For 501 (c) (3) not-for-profit clients only: If the project is divided among multiple local jurisdictions, please provide us with a breakdown of how much of the bond proceeds will be used in each locality. (The sum total should equal the total amount of the bond issuance.)**

PLEASE CONTACT VSBFA IF YOU HAVE ANY QUESTIONS AS TO WHAT FINANCIAL INFORMATION IS REQUIRED TO BE SUBMITTED WITH THE APPLICATION.

VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

2017 PUBLIC HEARING DATES

Contact VSBFA at (804) 371-8254 for time and location of VSBFA Public Hearing

<u>Date of Public Hearing</u>	<u>Latest Date Application must be Received by VSBFA</u>	<u>Latest Date for First Publication</u>	<u>Latest Date for Second Publication</u>
January 10, 2017	December 27, 2016	December 27, 2016	January 3, 2017
February 14, 2017	January 31, 2017	January 31, 2017	February 7, 2017
March 14, 2017	February 28, 2017	February 28, 2017	March 7, 2017
April 11, 2017	March 28, 2017	March 28, 2017	April 4, 2017
May 9, 2017	April 25, 2017	April 25, 2017	May 2, 2017
June 13, 2017	May 30, 2017	May 30, 2017	June 6, 2017
July 11, 2017	June 27, 2017	June 27, 2017	July 3, 2017
August 8, 2017	July 25, 2017	July 25, 2017	August 1, 2017
September 12, 2017	August 29, 2017	August 29, 2017	September 5, 2017
October 10, 2017	September 26, 2017	September 26, 2017	October 3, 2017
November 14, 2017	October 31, 2017	October 31, 2017	November 7, 2017
December 12, 2017	November 28, 2017	November 28, 2017	December 5, 2017

SAMPLE FORMAT OF PUBLIC NOTICE FOR NEWSPAPER PUBLICATION
(Not Necessary for Taxable Financings)

**NOTICE OF PUBLIC HEARING ON PROPOSED TAX-EXEMPT BOND FINANCING OF THE
VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**

Notice is hereby given that the Virginia Small Business Financing Authority (VSBFA) will hold a public hearing on the application of (insert name and address of the principal place of business of Applicant) (the "Applicant") for VSBFA to issue, pursuant to the Virginia Small Business Financing Act (the "Act"), up to (insert maximum dollar amount of bonds requested) of its tax-exempt bonds to assist the Applicant (describe whether Applicant is acquiring, constructing, equipping, renovating, etc. facility; approximate square footage of the facility; what type of business will be carried on at facility to be financed) to be located at (give street address and town, city or county where located; if no street address is available, give legal description including acreage, lot, block, etc.), Virginia. The public hearing which may be continued or adjourned, will be held at (insert time after contacting VSBFA at (804) 371-8254) on (insert appropriate date of public hearing), 20__, before VSBFA at (insert location after contacting VSBFA at (804) 371-8254). As required by the Act, the bonds will not pledge the faith and credit or the taxing power of the Commonwealth of Virginia or any political subdivision thereof, including VSBFA, but will be payable solely from revenues derived from the Applicant and pledges therefore. Any person interested in the issuance of the bonds or the location or purpose of the proposed project may appear and be heard. A copy of the Applicant's application may be inspected at VSBFA's office at 101 N. 14th Street, 11th Floor, Richmond, Virginia 23219 during business hours.

**APPLICATION TO
THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY
FOR THE ISSUANCE OF CONDUIT BONDS**

NAME OF APPLICANT(S)	DATE SUBMITTED
LOCATION OF PROJECT (COUNTY OR CITY)	MAXIMUM AMOUNT OF BONDS REQUESTED

APPLICATION

The information requested in this application is necessary to process a request for assistance. Please complete all the blanks, using "NONE" or "NOT APPLICABLE" where necessary. In all cases, if the applicant (project owner) is different from the project user, information should be provided on both entities. If more space is needed to answer any specific question, use a separate sheet of paper.

I. TYPE OF FINANCING

A. For what type of financing are you applying? Choose one.

- (1) Tax-exempt industrial development bond?
- (2) Tax-exempt 501(c)(3) bond? (*go directly to Section II*)
- (3) Taxable bond?

B. If you checked (1) or (3) above, does the applicant, including any parent or subsidiary corporation or affiliated entity, in Virginia have:

- (1) 250 or less employees? Yes No
Please state number of full time employees: _____
- (2) Less than \$10,000,000 in annual gross revenues over each of the last three (3) fiscal years?
Yes No
- (3) Less than \$2,000,000 in net worth? Yes No

II. PROJECT APPLICANT (proposed owner of the project)

A. Applicant's Legal Name: _____

Address: _____

City/State/Zip: _____

Federal Tax ID#: _____

NAICS: _____

Contact Person and Title: _____

E-mail address: _____

Telephone Number: _____

Fax Number: _____

B. Is the proposed project owner, and/or user, a subsidiary or direct or indirect affiliate of any other organization? If so, indicate name of related organization and relationship:

C. History and Background of Applicant:

- Corporation Partnership Sole Proprietorship
- LLC LLP Sub-S
- Date and State of organization: _____
- Please provide a brief history of the organization and the goods or services it provides.

- Please describe your current service area and number of clients or customers, and describe how the proposed project will affect the quantity and quality of goods or services you currently provide.

- Please attach a current listing of the organization's board of directors and (for 501(c)(3) applicants only) verification of its 501(c)(3) status.

D. Officers: Please list the names of the officers of the organization, their titles and their start dates.

Name	Title
_____	_____
_____	_____
_____	_____
_____	_____

E. Facility

- Is any part of the facility to be used by another public or private entity? If yes, please explain.

- Does the facility possess all of the necessary licenses and permits for operation? If no, please explain.

III. PROJECT REPRESENTATIVES

Contact Person, Company Name, Complete Address, Telephone Number and email address:

A. Applicant's Attorney: _____

B. Applicant's Bond Counsel: _____

C. Probable Lender/
Underwriter for this Project: _____

IV. PROJECT SUMMARY

A. Please provide a brief narrative description of the project to be financed (including square footage, type of facility, products produced, if any, etc.):

B. Location(s) of Proposed Project (if there is more than one, please attach a separate sheet)

1. Street Address: _____

2. City, County or Town: _____

3. Name, complete address, telephone number and email address of Economic or Industrial Development Director:

Name: _____

Address: _____

Telephone: _____

Email address: _____

4. Name, complete address, and telephone number of Clerk of Local Governing Body (i.e., Council [for cities and towns] or Board of Supervisors [for counties]): (For more than one locality, please attach separate sheet.)

Name: _____

Address: _____

Telephone: _____

C. Zoning and Infrastructure:

1. Do proposed uses of project comply with all governmental zoning and subdivision regulations?
 Yes No
 If no, explain action to be taken to comply.

D. Source of cash for repayment of bond debt:

V. PROJECT COSTS

A. State the costs reasonably necessary for the completion of the proposed project, together with any machinery and equipment to be acquired in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

<u>Description of Cost</u>	<u>Amount</u>
Land (Purchase)	\$ _____
Buildings (Purchase)	_____
Buildings (Construction)	_____
Buildings (Renovations)	_____
Equipment, machinery	_____
Utilities, roads and appurtenant facilities	_____
Engineering and/or Architectural fees	_____
Legal fees	_____
Financial charges	_____
Other (Specify)	_____
TOTAL PROJECT COST	\$ _____
Less: Equity contribution, if any	\$ _____
Other sources of funding (specify)	\$ _____
 TOTAL BOND FINANCING REQUESTED	 \$ _____

VI. ANTICIPATED BENEFIT TO THE COMMONWEALTH

A. Indicate facts which would support VSBFA in determining that the project would:

1. Tend to maintain, diversify or expand employment opportunities within Virginia:

2. Aid, assist and encourage economic development in Virginia:

B. Employment Impact:

Indicate below the number of people presently employed at the site of the project (or current employees who will be relocating to the project site) and the number that will be employed at the site at the end of the first and second years after the project has been completed (do not include construction workers).

Present employment _____ Year 1 _____ Year 2 _____

Average Wage _____

C. State other potential economic, social or non-monetary benefits which will accrue to the citizens of the Commonwealth of Virginia.

VII. The following questions are for statistical purposes only and your response is purely voluntary.

Gender of majority owner(s) male female

Race White Asian Black Hawaiian or Pacific Islander Native American Other

Hispanic Yes No

VIII. CERTIFICATE OF APPLICATION

PLEASE NOTE: Eligibility for financial assistance from VSBFA is determined by the information presented in this Application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including, but not limited to, the commencement of construction or the acquisition of assets such as land or equipment.

Please contact VSBFA before taking any action which would change the status of the project as reported herein.

Name of Applicant

By: _____

Date: _____

Title _____

**AGREEMENT TO PAY VIRGINIA SMALL BUSINESS
FINANCING AUTHORITY'S COSTS AND EXPENSES**

To induce the Virginia Small Business Financing Authority to consider this Application and to assist Applicant in the financing of the project, Applicant, by submitting this Application to the Virginia Small Business Financing Authority, agrees:

1. To pay all costs and expenses of the Virginia Small Business Financing Authority and its counsel, financial advisors and program managers in connection with the processing, authorization, issuance and sale of the bonds contemplated by this Application; either from the proceeds of the bonds which may be approved for the project by the Virginia Small Business Financing Authority, or in the event such financing is not approved or forthcoming, or if such costs are unable to be financed in the bond issue for legal or other reasons, the Applicant agrees to pay all costs from its own resources.
2. To advise the Virginia Small Business Financing Authority in writing of any material change to the information contained in this Application.
3. To provide, after successfully closing on the bond issue, one bound or electronic copy of the complete bond issue transcript to include **all executed documents and exhibits of the bond** transaction for the Virginia Small Business Financing Authority's file **within 120 days** of the closing date.
4. **If this Application is for tax-exempt industrial revenue bond financing or taxable financing, to pay to the Virginia Small Business Financing Authority on each anniversary date of the closing of the bond issue a fee equal to one-tenth of one percent (1/10 of 1%) of the then outstanding principal amount of the bonds. If this Application is for 501(c)(3) financing, to pay to the Authority on each anniversary date of the closing of the bond issue a fee equal to one-tenth of one percent (1/10 of 1%) of the then outstanding principal amount of bonds, with the annual fee paid in any given year not to exceed \$250,000. Applicant must submit a statement evidencing the principal balance due under the bond with a payment for the fees on the anniversary date of the bond issue.**

The aforementioned fees are a debt to the Commonwealth of Virginia. Failure to pay the fees when due will result in legal action and the VSBFA will exercise all rights given to it under the Set-Off Debt Collection Program as authorized under the Virginia Debt Collection Act and the account will be turned over to the Commonwealth's Office of Attorney General for collection and legal action.

The Applicant agrees that the Virginia Small Business Financing Authority shall not be liable to the Applicant for any damages, direct or consequential, resulting from the failure of the Virginia Small Business Financing Authority to issue bonds for the Applicant's project for any reason, including, but not limited to, any decision by the Virginia Small Business Financing Authority in its sole discretion to allocate its allowable volume of bonds to other applicants.

The Applicant further represents that it understands the conditions of this Application, that there is no guarantee of approval, and that all statements and information furnished with this Application or on supporting papers are true and correct to its best knowledge and belief.

IN WITNESS WHEREOF, the undersigned, being duly authorized to do so, have/has signed this Application.

Name of Applicant

By: _____

Date: _____

Title _____

Sworn and subscribed before me this _____ day of _____ 20_____.

My commission expires: / / _____

EXHIBIT I

**FISCAL IMPACT STATEMENT FOR PROPOSED
TAX-EXEMPT BOND FINANCING
(Not Necessary for Taxable Financings)**

TO: Virginia Small Business Financing Authority

(Name of Applicant)

(Facility)

(Date)

1. Maximum amount of financing sought. \$_____
2. Estimated current taxable value of the facility's real property in the municipality in which it is located. \$_____
3. Estimated taxable value of the facility's real property once constructed or expanded. \$_____
4. Estimated real property tax per year using present tax rates on the facility's real property once constructed or expanded. \$_____
5. Estimated personal property tax per year from property to be located in expanded or constructed facility using present tax rates. \$_____
6. Estimated merchants' capital tax per year from property to be located in, expanded or constructed facility using present tax rates. (This is a local tax. Check with the locality for information.) \$_____
7. Estimated dollar value of goods and services that will be purchased in the Commonwealth during construction or expansion of the facility. \$_____
8. Estimated dollar value per year of goods and services that will be purchased in the Commonwealth for the operation of the facility. \$_____
9. Estimated dollar value per year of goods and services that will be produced and sold from the facility. \$_____
10. Estimated number of employees during construction or expansion. #_____
11. Estimated number of regular employees on a year-round basis during operation. #_____

If any of the above answers do not apply to the project, indicate this by writing N/A (not applicable) on the appropriate line.