

SUMMARY OF GUIDELINES

- Only tax increment generated from the specific development will be pledged to repay bonds.
- If the development fails to generate sufficient tax increment to make the scheduled debt service, the Agency will not be required to pledge any other tax increment funds.
- All Project Bond debt will be subordinate to the Agency's senior lien debts.
- The Agency will enter into Project Bond agreements for no longer than 20 years.
- The Agency will pledge no more than the value of 20% of its current yearly tax increment collections to repay project bonds.
- The Agency will issue Project Bonds for no more than 20% of the total project costs (i.e. on a \$20 million development, the Agency will issue a Project Bond in the maximum amount of \$4 million).
- The developer must provide the Agency with a project pro forma that demonstrates, to the Agency's satisfaction, that the project could not otherwise happen without the Agency's assistance.
- The developer shall demonstrate financial feasibility for the project by providing, to the Agency's satisfaction, evidence of equity commitments and commitment letters from private lenders.
- The developer must demonstrate to the Agency's satisfaction, that he or she has a minimum of 10% equity in the total project.
- Project Bonds will be issued only to finance construction costs.
- The project must serve as a model of well-designed, high quality development, and must be designed to enhance the neighborhood.
- All costs incurred by the developer that are subject to prevailing wage will be borne by the developer.
- The project should be of significant scope that it will foster additional redevelopment activities in the surrounding area.