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| Description | Industrial revenue bonds are a means of financing the construction, enlargement, or equipping of industrial plants and certain other facilities. They are issued by a local government on behalf of an applicant and, hence, are municipal bonds. The local government is simply in partnership with industry, lending its name, but not its credit. The funds necessary for debt retirement are provided by the company that will use the facilities, usually through lease hold payments. |
| Eligibility Requirements: | Any location within the City of Eau Claire. |
| Eligible Improvements: | Purchase of industrial land and equipment, construction of industrial buildings, expansion or improvement of existing plants, pollution control facilities and commercial projects in certain circumstances. |
| Amounts | Maximum: \$10 million provided that total capital expenditures (from all sources, including IRBs) at the company's location do not exceed \$20 million for a period three years before and three years after the bond issue. For pollution control installation and certain other projects, there are no limits. |
| Terms | Maturities of IRBs can be up to 35 years. Interest rates average several points below commercial lending rates due to the tax-exempt status of the bonds. |
| Fees | Application fee of \$1,000 is due with application, additional \$4,000 is due upon closing |
| Note | Federal limitations on IRBs have been enacted recently which eliminated some types of projects from eligibility, changed methods of calculating depreciation, and require public hearings on all bond issues, among other things. Limits on the total amount of IRBs issuable by each state have been imposed. |
| Process | <ol style="list-style-type: none">1. Contact Director of Finance.2. Submit completed application and processing fee to Director of Finance, who will forward application to staff review committee.2a. Applicant must furnish project timetable description, preliminary site plan, rendering, and description of company.3. Staff review committee will make a recommendation to the City Manager.4. Applicant selects qualified financial consultants and/or underwriters, and bond counsel to prepare necessary documents and materials and submit to City.5. Public hearing prior to initial resolution.6. City Council passes initial resolution (applicant must not make expenditures or commence any construction before this point).7. Applicant furnishes a Comfort Letter from lending institution indicating economic viability of project.8. City Council passes final resolution. |
| Contact: | Mike Schatz Economic Development Director City of Eau Claire 203 S Farwell Street PO Box 5148 Eau Claire, WI 54702-5148 (715) 839-4914 mike.schatz@eauclairewi.gov |
| Last Modifications on: | May 9, 2013 |

