

Steps in the Application Process

While there may be some variation in the timing and sequence of events leading up to issuance of the bonds, the process normally proceeds as follows:

1. The applicant decides to acquire, construct, or renovate real property in the City of Falls Church.
2. The applicant consults with bond counsel to determine eligibility for tax-exempt financing.
3. The applicant begins to arrange for financing, either through a financial institution or through an underwriter.
4. The applicant submits an application (17 sets) requesting the EDA to issue bonds, complete with payment of application fee (payable to “City of Falls Church”).
5. Staff and counsel to the EDA review application for completeness. If the application is in order, the application is put on the agenda for a public hearing at the next EDA meeting.
6. A newspaper notice of the public hearing is published once a week for two successive weeks. NOTE: State law requires that the public hearing take place no fewer than six nor more than twenty-one days after the second notice appears in the newspaper. The EDA Board meets on the first Tuesday of each month, unless otherwise noted. Accordingly, in order to comply with state law, the notice of the public hearing on the application must be published in a newspaper of general circulation on or before the two Wednesdays immediately prior to the Tuesday date for the public hearing. Bond counsel may determine that certain additional notice requirements must be met in order to comply with Internal Revenue Code provisions relative to tax-exempt financing.
7. The EDA conducts the public hearing and the EDA Board votes on a resolution approving the application and recommending that the Falls Church City Council approve the issuance of bonds.
8. The Falls Church City Council adopts a resolution approving the issuance of the bonds. NOTE: State law requires that the City Council’s approval take place within sixty days of the public hearing by the EDA. The Falls Church City Council meets on the second and fourth Mondays of each month, unless otherwise noted.
9. Simultaneously with the approval process outlined in Steps 7 and 8 above, bond counsel prepares the bond documents reflecting the financial transactions relating to issuance of the bonds. The documents are submitted to counsel for the EDA to review.
10. The EDA adopts a final resolution authorizing the issuance of the bonds.
11. Bond counsel conducts the bond closing. EDA officials execute bond documents in accordance with the terms of the resolutions passed by the EDA.

12. The administrative fee is initially payable in advance at closing, and thereafter is payable annually and due on the anniversary date of the issuance of the bonds.

I. Illustrative Steps for an IRB Application

Timing	Step
First day of the month	Submit application materials to City of Falls Church Economic Development Authority (EDA) for review. Date for public hearing is scheduled.
Two successive weeks before the public hearing date	Newspaper notice of public hearing is published.
First Tuesday of the next month following application submission	Applicant makes short presentation of project to EDA Board, answers questions from the Board members. Presentation must be made on a project-specific basis. Board members adopt a resolution approving the application and recommending the City Council’s approval of the issuance of bonds.
Within 60 days of EDA public hearing	Falls Church City Council adopts a resolution approving the issuance of bonds.
Simultaneously with the above	Bond counsel prepares the bond documents reflecting the financial transactions relating to the issuance of the bonds.
Upon securing financing	EDA adopts a resolution authorizing the issuance of the bonds.
Closing	Bond counsel conducts the bond closing. EDA officials execute bond documents in accordance with the terms of the resolutions passed by the EDA.

II. Fees and Requirements

One-Time Application Fees

The EDA charges an application fee for all projects based upon the requested amount of bonds to be issued by the EDA in accordance with the following schedule:

- \$0 - \$4,999,999 = \$500
- \$5,000,000 - \$9,999,999 = \$1,000
- \$10,000,000 - \$19,999,999 = \$1,500
- \$20,000,000+ = \$2,000

The application fee shall be paid to the EDA prior to consideration of the inducement resolution to be adopted on behalf of the applicant. Application fees, upon acceptance by the EDA, are non-refundable. No interest shall be paid on application fees held by the EDA. If a proposed issue of bonds is increased to an amount requiring payment of a greater application fee, the difference shall be paid to the EDA before such increase is authorized by the EDA.

Annual Administrative Fees

The EDA charges an annual administrative fee for all projects financed by the EDA. The administrative fee is initially payable in advance at closing, and thereafter is payable annually and due on the anniversary date of the issuance of the bonds in accordance with the following:

1/10th of 1% of outstanding principal balance of loan

Reimbursement of Costs

The EDA requires reimbursement of its costs and expenses incurred in connection with the issuance and sale of its bonds and by virtue of its bonds being outstanding (see "Payment of Authority Expenses").

Transcripts of Proceedings

Each applicant receiving bond financing through the EDA shall furnish to the EDA upon the sale and delivery of the bonds, two complete transcripts of the financing documents relating to such bonds. Bond transcripts shall be hardback bound in library standard quality binders at the cost and expense of the applicant.

Bond Validation Proceedings

The EDA may require that before issuance, its bonds be validated by the Circuit Court of Arlington, Virginia, pursuant to the requirements of Article 6, Chapter 5, Title 15.1 of the Code. The costs, expenses and fees incurred in connection with any bond validation proceeding required by the EDA, including attorneys' fees, shall be paid by the applicant.

Additional Information Required of Applicants

The EDA may adopt an inducement resolution conditioned upon the subsequent furnishing of certain information satisfactory to the EDA. All required information shall be promptly furnished to the EDA and failure of any applicant to furnish such information shall constitute a ground for rescission of any inducement resolution adopted pursuant to such conditions.

The EDA may, at its option, require the furnishing of appraisals, evaluations or reports respecting the project or any portion thereof. The EDA may retain advisors and consultants to advise it regarding any project or other action that it is requested to undertake by any applicant. The applicant shall pay all costs, fees and expenses of such appraisals, reports, consultants and advisors incurred by the EDA after prior notification to the applicant.

Since the EDA usually acts based upon information furnished to it solely by the applicant, the EDA reserves the right to require at any time the furnishing of additional information concerning the applicant, its financial statements, and any other information deemed relevant by the EDA. In instances where the applicant has undergone changes in form or management or where the security to be given for payment of the bonds has changed, the applicant shall report such changes promptly to the EDA.

III. Provisions to be Incorporated into Resolutions and Financing Documents

Inducement Resolutions

Each inducement resolution adopted by the EDA shall provide that it shall continue in full force and effect for a period of two years unless specifically extended by the EDA or the bonds contemplated by the resolution are issued.

Payment of Authority Expenses

IV.

The financing documents adopted by the EDA for the benefit of any applicant shall provide that the applicant agrees to pay all costs, fees and expenses incurred by the EDA (including attorneys' fees) in connection with:

- The authorization, issuance and sale of the EDA's bonds;
- The ownership, occupation, operation or use of the project being financed, whether owned by the EDA or the applicant;
- Prepayment or redemption of the EDA's bonds;
- Administrative costs and expenses of the EDA, including the fees of attorneys, accountants, engineers, appraisers or consultants, paid or incurred by the EDA by reason of the bonds being outstanding or pursuant to requirements of the financing documents.

V. Form of Application

Applicants for revenue bond financing should use the attached application form, and include with the application all documents listed at the end of the application form. Checks should be payable to "City of Falls Church."

VI. Submission of Application

Seventeen sets of the full application should be sent to:

City of Falls Church Economic Development Office
300 Park Avenue
Falls Church, VA 22046
Telephone: 703-248-5491 (TTY 711)
Fax: 703-248-5103
E-mail: econdev@fallschurchva.gov

**Application for Issuance of Industrial Revenue Bonds (IRBs)
by the City of Falls Church Economic Development Authority
(EDA)**

Name of Applicant:

Address:

Applicant's Point(s) of Contact (Name):

Address (if different from above):

Telephone: _____ Fax: _____ E-mail:

Organizational Structure of Applicant:

_____ Corporation _____ Partnership _____ Limited liability company _____ Other

State of Incorporation or Certificate:

Is applicant an exempt organization under Internal Revenue Code § 501-(c)-(3)? _____ Yes
_____ No

Financial institution or underwriter providing financing:

Point of Contact (Name):

Address:

Telephone: _____ Fax: _____ E-mail:

Bond Counsel:

Point of Contact (Name):

Address:

Telephone: _____ Fax: _____ E-mail:

Amount of revenue bond financing sought: \$ _____

Is this bond a refunding? Yes _____ No _____

Type of facility for which financing is sought:

- _____ Parking facility
- _____ Medical facility
- _____ Research and development or scientific laboratory
- _____ Private, accredited and nonprofit institution of collegiate education
- _____ Facility for governmental or nonprofit, nonreligious or nonsectarian organization
- _____ Museum
- _____ Pollution control facility
- _____ Multi-state, regional or national headquarters
- _____ Athletic, health or recreational facility
- _____ Facility for residence/care of the aged
- _____ Manufacturing facility
- _____ Other (please describe):

List all stockholders or partners having 10% or more ownership interest in the applicant:

Name	Percent Interest

List all stockholders or partners having 10% or more interest in any organization having a 50% or greater ownership interest in applicant:

Name	Percent Interest

Owner of facility (if different from applicant) [Name]:

Address:

Telephone: _____ Fax: _____ E-mail: _____

Relationship of owner to the applicant:

List all stockholders or partners having 10% or more ownership interest in the owner of the facility:

Name	Percent Interest

List all stockholders or partners having 10% or more interest in any organization having a 50% or greater ownership interest in the owner of the facility:

Name	Percent Interest

The following **attachments to the application** must be provided and submitted at time of application:

1. Statement of background information on the applicant. Please include a brief description of your organizational structure, your organization's history, the markets, products, and/or services you provide, and the relation of the project for which you seek financing to your organization's markets, products or services. You should provide sufficient information to provide the EDA with a good understanding of your organization and of your plans for facilities in the City of Falls Church and the ways in which your facility will promote the health, safety and welfare of the City of Falls Church inhabitants.
2. Identification and description of the proposed project to be financed.

Provide a description of the facilities that you plan to acquire, construct, improve, and/or renovate. Use of sketches, plans and photographs is encouraged. Specifically, please answer the following questions (a through w):

- a. Location of proposed project in the City.
- b. Describe the type of facility that you are applying for financing. What manufacturing or other processes will be conducted at the project?
- c. Are you applying for pollution control bonds? If so, please state the types of pollution generated by your facility and briefly describe the type of equipment that you propose to meet your pollution problems.
- d. Describe the proposed arrangement to finance the cost of construction or acquisition of the project. Briefly detail a projected time schedule.
- e. If the applicant now owns the project site, indicate:
 - i. Date of purchase
 - ii. Purchase price
 - iii. Balance of existing mortgage
 - iv. Holder of mortgage
- f. If the applicant is not now the owner of the project site, does the applicant have an option to purchase the site and any buildings on the site? If yes, indicate:
 - i. Date option agreement signed with owner

- ii. Purchase price under option
 - iii. Expiration date of option
- g. Has the applicant entered into a contract to purchase the site? If yes, indicate:
 - i. Date signed
 - ii. Purchase price
 - iii. Settlement date
- h. Present owner of the site of the project, and the relationship between the present legal owner and the applicant.
- i. If pollution control bonds are to be issued, please indicate:
 - i. Whether the total project is designed for any significant purpose other than the control of pollution, i.e., does the project result in an increase in production or capacity, or in a material extension of the useful life of a manufacturing or production facility or a part thereof.
 - ii. Estimated incremental cost of the project if the project is for the purpose of controlling pollution and for a significant purpose other than controlling pollution.
- j. Status of plans for the project. Please indicate architect, engineer, general contractor, and major subcontractors, if available.
- k. Has construction work on this project begun? If yes, complete the following:
 - i. Site clearance (Yes/No and % complete)
 - ii. Foundation (Yes/No and % complete)
 - iii. Footings (Yes/No and % complete)
 - iv. Steel (Yes/No and % complete)
 - v. Masonry work (Yes/No and % complete)
 - vi. Other (describe) (Yes/No and % complete)
- l. List principal items or categories of equipment to be acquired as part of the project:
- m. Has any of the above equipment been ordered or purchased? If yes, include:
 - i. Name of the item
 - ii. Date ordered
 - iii. Delivery date
 - iv. Price
- n. State the proposed uses and dollar amount of the bond proceeds:
 - i. Land
 - ii. Site development
 - iii. Buildings
 - iv. Equipment
 - v. Engineering
 - vi. Architecture
 - vii. Land use approval fee (zoning, permits, etc.)
 - viii. Interest during construction
 - ix. Bond discount or brokers' fees
 - x. Costs of financing

- xi. Other (please explain)
 - xii. Face amount of issue
 - o. Have any of the above expenditures already been made by the applicant? If yes, indicate particulars.
 - p. Have any of the above expenditures been incurred but not paid by the applicant? If yes, indicate particulars.
 - q. Are costs of working capital, moving expenses, work in process, or stock in trade included in the proposed uses of bond proceeds?
 - r. Will any of the funds to be borrowed through the authority be used to repay or refinance an existing mortgage or outstanding loan?
 - s. If any space in the project is to be leased to third parties, indicate total square footage of the project, amount to be leased to each tenant, and proposed use by each tenant.
 - t. State the type and amount of outstanding bonds or other obligations, if any, on the present facilities or any other facilities or the applicant. Include the amount of annual payments required and the year when the bonds will be paid off.
 - u. Brief description of existing facilities:
 - i. Describe the location and type of existing facilities (including, if applicable pollution abatement equipment now provided, its design, capacity, and year constructed). Indicate if the existing facilities are to be abandoned or will continue in use as part of the proposed new facility.
 - ii. The operation and maintenance cost of any existing facility should be itemized to show amount per year for labor, utilities, and supplies. Also the estimated costs of operating the proposed facility should be itemized.
 - iii. Age and condition of existing buildings, if any improvements included within this project are to be made thereto, and whether owned in fee or leased.
 - v. Will the construction, occupation, operation or use of the project involve the creation of any pollutants or other emissions, or the use or manufacture of any toxic or hazardous substances? Will operation of the project involve consumption or use of large amounts of electricity, water, gas or other services or products customarily furnished by utilities? Will construction or operation of the project have any impact upon local businesses or residents, such as emission of odors, traffic in and out of the project, or storage of large amounts of materials at the project site? Please provide particulars.
 - w. Provide a pro forma financial analysis of the project and provide a detailed explanation of the projected revenues for repayment of the bonds.
3. Completed fiscal impact statement (Use sample form attached. Do not sign the form.).

4. Applicant's financial statements for the past three years of operation and estimates for the current year. Specifically, please answer the following questions (a through g):

- a. Description of present debt, guaranty, long-term contracts, prior liens, and other contingent liabilities.
- b. Proposed immediate and long-term capital expenditures.
- c. Commercial banking connections and for how long a period.
- d. Attach to application the following financial statements for each of the preceding three years, and estimates for the current year:
 - i. Statement of financial condition.
 - ii. Profit and loss statement
 - iii. Statement of surplus.

If the applicant is a new or recently formed business entity, without recent financial statements, the applicant should furnish the financial information required by the application for each principal shareholder, partner, or other principal of the applicant. If the applicant is a subsidiary corporation without its own financial statements, financial statements of the Parent Corporation or consolidated financial statements may be submitted in lieu of financial statements for the applicant. If the obligations of the applicant will be guaranteed by any person or business entity, then financial statements of such guarantor should also be included with the application. Pro forma financial statements, if available, should be submitted with the application. Since this application will become a part of the public records of the EDA, in the event the applicant does not desire financial records not otherwise available to the public to be included in the public record, please so indicate so such records may be returned to the applicant.

- e. Has the applicant, any proposed guarantor, or any of their partners or principal shareholders ever declared bankruptcy or been involved in any bankruptcy or been involved in any bankruptcy or insolvency proceeding whether voluntary or involuntary? If so, describe particulars.
- f. Has any underwriter, broker, or investment banker been retained by applicant in connection with this proposed bond issue? If so, who?
- g. Please indicate the person or institution to whom the bonds will be sold or any persons or institutions which have indicated an interest in purchasing the bonds.

5. Miscellaneous

- a. Is the applicant or any major shareholder or partner presently involved in any litigation, investigation, or proceeding? If so, please describe.

- b. Is the applicant or any major shareholder or partner of the applicant, or any other person working for the applicant in this proposed financing subject to any order, decree or judgment of any court or administrative or other governmental agency or body? If so, please describe.
 - c. Is the applicant or any of its major shareholders or partners, or any guarantor, or any other person representing applicant in connection with this proposed financing, involved in any investigation, litigation or proceeding relating to the issuance or sale of securities or any applicable banking laws or regulations? Have any of the foregoing persons ever been involved in any such investigation, litigation or proceeding? If so, please describe in full.
 - d. Is the applicant subject to regulation (other than regulations generally applicable to all businesses) by any federal or state administrative agencies or bodies? If so, please provide details.
6. Statement of understanding executed by applicant for EDA revenue bond financing.
7. Affirmative Action/Equal Opportunity Employment
“Each applicant, to be eligible for financing hereunder, must have an established Affirmative Action plan or written policy with regard to employment practices. The applicant shall also demonstrate its commitment to equal employment opportunities for all employees, all job applicants, and future employees, without regard to race, color, religion, sex, sexual orientation, age, national origin, or physical handicap. The plan or policy and the commitment shall be consistent with federal and state laws on the subject.”

Applications for financing with the City of Falls Church Economic Development Authority shall include an Affirmative Action Plan or written employment policy.

(Form: Original 04-03-01; Rev. 06-21-01)

Statement of Understanding by Applicant for City of Falls Church Economic Development Authority Industrial Revenue Bond Financing

The undersigned applicant submits this application for consideration by the City of Falls Church Economic Development Authority (EDA). The applicant understands, acknowledges, and agrees to the following terms:

1. Applicant shall reimburse the EDA for all costs incurred by the EDA in processing and acting upon this application, including without limitation legal fees, copying charges, fees for courier services, fees for publication of legal notices, facsimile transmission charges, and long distance telephone charges and further including all such expenses incurred prior to the date of this agreement. Applicant shall be responsible for such charges whether or not the EDA ultimately approves and issues the bonds.
2. The EDA's approval of the bonds and issuance of the bonds does not constitute any guarantee or any warranty that the bonds will qualify as tax exempt under federal or state tax law. Applicant represents that it has retained, or will retain, bond counsel and applicant will rely solely on the advice and opinions rendered by such bond counsel with regard to the tax-exempt status of the bonds and for all other tax matters.
3. The adoption by the EDA of any resolution approving the issuance of the bonds or its application does not constitute representation by the EDA that the project contemplated complies with all applicable federal, state and local law.
4. The approval of the Falls Church City Council of issuance of bonds does not constitute any representation by the Falls Church City Council of any intent to act favorably upon any permit or land use application or any other application requiring approval by the Falls Church City Council for the project or for any operation contemplated by the applicant to be undertaken on the facility.
5. The applicant understands and acknowledges that financing by industrial revenue bonds or notes through the EDA, if and when consummated, will not constitute a general obligation of the EDA, nor will the faith, credit, or taxing power of the Commonwealth of Virginia, or any political subdivision thereof, or the City of Falls Church, be pledged to the payment of any such bond or note.
6. The applicant understands and agrees to comply with the EDA's IRB Application Rules and Procedures that is attached as a preface to the application form. This includes payment of all application fees and administrative fees, provisions to be incorporated into documents, and schedule for public meetings and advertising.
7. The applicant will advise the EDA in writing of any material changes to the information contained in the application.

The individual signing this application represents and warrants that (s)he has the authority to sign it on behalf of the applicant and that all information contained herein is true to the best of his/her knowledge and belief.

IN WITNESS WHEREOF, the undersigned applicant has affixed his/her name and seal on the date set forth below.

Applicant: _____ (SEAL)

By: _____

Its: _____

Date: _____

Fiscal Impact Statement
Statement of Benefits to the City of Falls Church and
the Commonwealth of Virginia from the Project

Date: _____

Applicant:

Facility:

1. Maximum amount of financing sought

2. Estimated taxable value of the facility's real property to be constructed in the municipality

3. Estimate all taxes by type and amount projected to be paid to the City of Falls Church as a result of this project. Include:

a. Estimated real property tax per year using present tax rates

b. Estimated personal property tax per year using present tax rates

c. Estimated BPOL per year using present tax rates

d. All other

4. Estimated dollar values

a. Estimated dollar value per year of goods that will be purchased from Virginia companies within the locality

b. Estimated dollar value per year of goods that will be purchased from non-Virginia companies within the locality

c. Estimated dollar value per year of services that will be purchased

from Virginia companies within the locality

d. Estimated dollar value per year of service that will be purchased from non-Virginia companies within the locality

5. State what new employment opportunities will be created for the City as a result of this project, including:

a. Estimated number of regular employees on year-round basis

_____ Full-time

_____ Part-time

b. Average annual salary per new employee by category

6. If relocating within the City of Falls Church, show:

New SF Proposed _____ - Present SF _____ = Net SF increase

Number of jobs in City _____ - Present jobs _____ = Net new jobs

7. Show any projected economic spin-off benefits from the project.

8. Specifically state other potential benefits that will accrue to the inhabitants of the City of Falls Church and the Commonwealth of Virginia, including economic, social or other non-monetary benefits.

Chairman, City of Falls Church Economic Development Authority

Date