

INDUSTRIAL REVENUE BOND PROGRAM



Policy Description:

The State of Texas Industrial Revenue Bond Program (IRB) is designed to provide tax-exempt or taxable financing for eligible industrial or manufacturing projects as defined in the Development Corporation Act of 1979 (Act). The Act allows cities, counties, conservation and reclamation districts to form non-profit industrial development corporations (IDCs) or authorities on their behalf. The purpose is to provide bonds for projects within their jurisdictions.

The IDC acts as a conduit through which monies are channeled. Generally, bond debt service is paid by the business under the terms of a lease, sale or loan agreement. As such, it does not constitute a debt or obligation of the governmental unit, the IDC or the State of Texas.

Eligibility Criteria:

- The IDC issuing the bonds must pass a declaration of official intent resolution (tax-exempt only); a bond resolution approving the project; set the bond amount; and make findings required by state law;
- The governmental unit of the IDC must pass a resolution that approves the corporate resolution and the project. All terms of the bond sale are negotiated among the appropriate parties and documents are prepared by legal counsel.

How to Apply:

The IDC submits an application to the Economic Development and Tourism Division of the Governor's Office (OOGEDT) and the Office of the Attorney General simultaneously. However, the Attorney General will not give final approval until they receive an approval letter from the OOGEDT. Once all approvals have been granted, the IDC can issue the bonds and finance the project from the proceeds.

Each application for approval shall be accompanied by a nonrefundable filing fee in the amount equal to one-tenth of 1.0% of the face amount of the bond issue or \$25,000, whichever is less, but in no event less than \$500. This fee is payable to the department upon the initial filing of such application.

The City shall not grant any incentive unless the business submits a full and complete application and provides additional information as may be requested. The accuracy of the information in the application is the sole responsibility of the

applicant. Upon request, the applicant shall provide supporting documentation. Any misstatement of or error in fact may render an application null and void and may be cause for repeal of any ordinance adopted in reliance of said information.

If it is determined that the application meets these guidelines, a full and financial programmatic review will be conducted. This review may be done by City Staff, an outside agency or consultant and will ensure conformance with these guidelines.

Local Action Required:

Please contact the City of Corpus Christi's Economic Development Office at (361) 826-3850 to request the application or visit www.cctexas.com/economicdevelopment or the Corpus Christi Regional Economic Development Corporation at www.ccredc.com to download the application.

An application fee of \$2,000 will be submitted at the same time the application for economic incentives is submitted. The fee must be paid in the form of a check or money order and made payable to the City of Corpus Christi, Texas.

Additional Resources:

Development Services
www.cctexas.com/developmentservices

Economic Development
www.cctexas.com/economicdevelopment