


Summary

The federal government annually allows an amount equal to \$80.00 per capita of tax-exempt bonds to be issued in each state (\$1,537,640,480 for Florida in 2007). These private activity bonds (PABs) are issued for affordable housing, manufacturing and special projects. Florida has designated a portion of this total amount for Florida businesses.

- **Manufacturing Facility Bond Pool:** Manufacturers have access to \$97.5 million.
- **Florida First Business Bond Pool:** Approximately 20% or \$288,028,096 of the state's allocation is for projects supporting the State's economic development policies. These allocations provide the issuance of tax-exempt bonds and do not constitute a grant or loan of funds from the State or local bonding authority.

Manufacturing Facility Bond Pool

Statutory Reference: [Section 159.8081, Florida Statutes](#)

- Allocation from the Manufacturing Facility Bond Pool is limited to manufacturing projects, thus enabling the State to assist manufacturers in obtaining cost-effective financing for expansion or new Florida projects.
 - An allocation from the Manufacturing Facility Bond Pool grants authority to an entity to issue tax-exempt bonds. It is not a grant or lease of funds.
 - This low-cost debt financing can be used for land acquisition, new facility construction and new equipment purchases (additional rules apply to the financing of an existing facility and/or used equipment) for projects totaling \$10 million or less.
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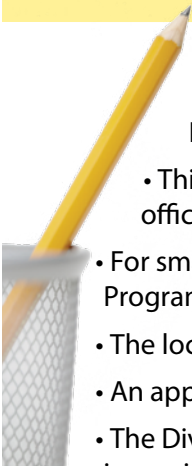
Amounts

- \$97.5 million was taken from the state's total allocation and placed in the Manufacturing Facility Bond Pool.
- Fifteen percent (15%) of the \$97.5 million is set aside for six months for use in counties with a population of less than 75,000 and counties with a population of less than 125,000 that are contiguous to a county with a population of less than 75,000.
- The first 75% of this Manufacturing Facility Bond Pool is available on a first-come, first-served basis.
- The Governor's Office of Tourism, Trade and Economic Development (OTTED) and the Department of Community Affairs must approve the remaining 25% in a manner consistent with Florida's economic development policy.

Eligibility

- Access to the Manufacturing Facility Bond Pool is automatic for all Private Activity Bond allocation applicants who are financing manufacturing facilities defined in section 144(a)(12)(c) of the Internal Revenue Code as: *"any facility which is used in the manufacturing or production of tangible personal property (including the processing resulting in a change in the condition of such property.)"*

Application Process

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- Contact the bonding authority established by the local governing body. In many counties, an Industrial Development Authority provides such assistance while a Committee of One Hundred, an Office of Economic Development, or the County Attorney functions in this capacity for other counties.
 - This local contact assists with the acquisition of an underwriter and approval from the designated elected official(s) or voters, if required.
 - For smaller amounts (generally less than \$2 million) it is possible to access Enterprise Florida's Enterprise Bond Program directly, reducing issuance costs through use of a composite bond issue.
 - The local bonding authority files a "Notice of Intent to Issue Bonds and Request for Written Confirmation."
 - An application fee of \$100 is required to file a request for allocation with the Division of Bond Finance.
 - The Division of Bond Finance determines if allocation is available. If available, written confirmation of the allocation is provided.



Florida First Business Bond Pool

Statutory Reference: Section 159.8083, Florida Statutes

The state's total allocation for the Florida First Business Bond Pool is \$288,028,096. This allocation is available statewide and does not have the same population-based county reservations as the Manufacturing Facility Bond Pool.

Eligibility

- New projects must create 100 new jobs in Florida, or if an expansion, increase employment by at least 10%; pay an average wage that is at least 115% of the average wage in the area; and be one of the state's target industry sectors; OR
- the project must create a substantial economic benefit, defined as leading directly and significantly to the expansion and/or diversification of the economic base, implementing a key economic development strategy of the state or community, or saving a significant number of Florida jobs.
- Environmental projects which assist the continuing operation of an existing Florida business are also eligible.
- Projects that typically seek Florida First Business Bond Pool financing are either manufacturing projects that would qualify for the Manufacturing Bond Pool Program when no allocation is available, or projects that are larger than \$10 million and are not subject to the federal \$10 million limit for tax-exempt revenue bonds.
- Projects, or portions of projects, that address air or water quality, or solid waste management problems, are the most common examples of qualifying projects that are greater than \$10 million.

Application Process

- To make application for allocation from the Florida First Business Bond Pool, companies should first contact the bonding authority established by the local governing body. Unlike Manufacturing Bond Pool Program projects, Florida First Business Bond Pool projects must be certified by the Governor's Office of Tourism, Trade and Economic Development (OTTED) prior to filing the "Notice of Intent to Issue Bonds and Request for Written Confirmation" with the Division of Bond Finance.
- OTTED will review each application and report to the Executive Director.
- After April 1 of each year, the Executive Director will consider these applications at least once every 90 days and certify projects as Florida First Business Bond Pool projects based on the criteria listed above.
- Applications for individual projects of less than \$2 million may be considered at any time prior to November 15.
- Once the Florida First Bond Pool project has been certified by OTTED, the procedure follows that of the Manufacturing Facility Bond Pool Program. Any allocation from the Florida First Business Bond Pool must be used, or granted to carry forward, by November 15 of that year.



For More Information

- Questions on either of the two bond pools, Enterprise Florida's Enterprise Bond Program or about expanding and/or establishing a business in Florida may be directed to Louis Laubscher at Enterprise Florida, 407.956.5631.
- General questions concerning the allocation process may be directed to the local bonding authority or the Division of Bond Finance, 850.488.4782.