

INDIANA FINANCE AUTHORITY

VOLUME CAP GUIDELINES

1. **GENERAL INFORMATION FOR MANUFACTURING AND EXEMPT FACILITY BONDS**

These guidelines apply to manufacturing bonds, exempt facility bonds and exempt facility bonds which are related to new or expanding manufacturing facilities where jobs are being created or retained. IFA will use as a goal the approval of 10% of the State's manufacturing volume each month; however, actual approvals may total more or less than this amount.

a. **Deadlines and Procedures**

A PDF of the originally executed applications for volume cap will be due the last Monday of the month and should be emailed to IFAVolumeCapApps@ifa.in.gov. Fax copies will not be accepted. Based upon a review of all projects submitted and the amount of volume cap remaining in each category, a cut-off score will be established each month, and requests for projects achieving or exceeding that score will be approved. Incomplete applications will not be considered. Each project will be limited to a maximum of \$10,000,000 in volume cap unless the project meets an exception in these guidelines⁽¹⁾. Decisions will be made at the board meeting next following the date the application was made and notifications will be forwarded in writing via e-mail immediately following the meeting at which an award is considered and in no case later than noon on the day following the board meeting. The meeting date at which volume is approved in a given deal will serve as the beginning of the 90-day window in which a transaction must close.

b. **Fees**

The fee for obtaining an allocation of volume cap is Five Hundred Dollars (\$500.00) for awards \$3 million and under and \$1,000 for awards over \$3 million (the "Fee") per award of volume cap. The Fee is not due at the time of application but only after the applicant receives an award of volume cap. The Fee will be due in the office of the IFA by 5:00 p.m. ten days after the applicant receives facsimile notice that it received an allocation of volume cap. **SUCCESSFUL APPLICANTS WILL BE GIVEN THE FEE DUE DATE ON THEIR NOTIFICATION. FAILURE TO DELIVER THE FEE TO THE IFA WITHIN THE 10 DAY TIME PERIOD WILL VOID THE AWARD OF VOLUME. THE FEE IS NONREFUNDABLE.**

⁽¹⁾If a project is an exempt facility related to manufacturing facilities, staff retains the ability to make an exception to the \$10,000,000 cap. Scoring Criteria for Manufacturing including Exempt Facility Projects Related To Manufacturing and Solid Waste Agricultural Projects: (330 Total Points Possible)

c. **Limit on Volume Cap Awards**

Each project is only eligible for one award of volume cap unless (1) the project is an exempt facility project requesting more than \$10,000,000 (see multi-year awards), or

(2) the project receives partial funding at the end of a calendar year due to a lack of volume cap.

d. **Notice of Issuance Deadline**

A notice of issuance must be filed by the earlier of the following dates:

- 1) 90 days from the date the award is made, or
- 2) the day before the IFA's December Board meeting.

e. **Failure to Use Awarded Volume Cap by Deadline**

Applicants that do not use an award of volume cap within 90 days from the date the application is approved and do not inform IFA of their intent not to use it within 10 days of receiving the award are ineligible to apply for another award of volume cap until the month following the applicant's original expiration date.

If a notice of issuance is for less than 85% of the amount of volume cap awarded, the award of volume cap for that project is void.

g. **Carry forward**

Issuers must submit applications for carry forward by the second Monday of January. Decisions will be made by the last Monday in January.

h. **Additional Requirements for Solid Waste Agricultural Projects including, but not limited to, Confined Animal Feeding Operations (referred to herein as "Solid Waste Agricultural Projects")**

Documentation evidencing satisfaction of the following additional requirements must be submitted with the volume cap application for Solid Waste Agricultural Projects:

1. A public hearing must be conducted regarding the proposed Solid Waste Agricultural Project in the county where the Solid Waste Agricultural Project is or will be located. The IFA will designate an individual to attend the public hearing.
2. The Plan Commission Report (the "Report") must be prepared and submitted to the Plan Commission having jurisdiction over the Solid Waste Agricultural Project as required by I.C. 5-1.2-9-13. The Report and cover letter are to be prepared and submitted to the applicable Plan Commission by Bond Counsel after execution by the IFA. Any negative responses to the Report must be resolved before the volume cap application will be placed on the agenda for board action. **Note: This item only applies where the IFA is the proposed issuer of the bonds.**
3. The presiding officer of the Economic Development Commission if one exists in county, otherwise the presiding officer of County Commissioners, must approve the proposed project.
4. The relevant State legislators must be consulted with in regards to the proposed project.

i. **Miscellaneous**

If any of the events referred to in these guidelines falls on a day on which IFA is closed for business, the event shall occur on the next business day. All applications and notices must be received by IFA no later than 5:00 P.M. on the day due.

Application forms will be available through IFA. These guidelines may be modified from time to time in order to promote the effective use of volume cap and the efficient administration of the volume cap program.

In completing the application, numbers used in prior volume cap awards may not be duplicated here (unless retaining jobs).

Job quantity and quality (135 possible points)

Number of new and retained Indiana jobs (55 possible points)

- 1 - 11 (5.5 points)
- 12 - 22 (11 points)
- 23 - 33 (16.5 points)
- 34 - 44 (22 points)
- 45 - 55 (27.5 points)
- 56 - 66 (33 points)
- 67 - 77 (38.5 points)
- 78 - 88 (44 points)
- 89 - 99 (49.5 points)
- 100+ (55 points)

Average hourly wages of new and retained jobs (80 possible points)

_____ Average hourly wage of company (without benefits)

_____ Average hourly wage of county

_____/_____
company county
wage wage

= _____ = _____ % _____ above
_____ below

- less than 5% above county average wage (10 points)
- 5% - 10% above county average wage (20 points)
- 10% - 15% above county average wage (30 points)
- more than 15% above county average wage (40 points)

_____ Average hourly wage of company (without benefits)

_____ Average hourly wage of state

_____/_____
company state
wage wage

= _____ = _____ % _____ above
_____ below

- less than 5% above state average wage (10 points)
- 5% - 10% above state average wage (20 points)
- 10% - 15% above state average wage (30 points)
- more than 15% above state average wage (40 points)

Investment Leverage (60 possible points)

Amount of new capital investment on this project (1point for each million – max 30 points)

\$ volume cap/capital investment (30 possible points)

_____ / _____ = _____
volume capital investment

76% – 100% (7.5 points)

51% – 75% (15 points)

26% – 50% (22.5 points)

1% - 25% (30 points)

County demographics (60 possible points)

County unemployment rate (5-year average) (30 possible points)

Upper 23 counties (30 points)

Second 23 counties (22.5 points)

Third 23 counties (15 points)

Lower 23 counties (7.5 points)

County per capita income (5-year average) (30 possible points)

Upper 23 counties (7.5 points)

Second 23 counties (15 points)

Third 23 counties (22.5 points)

Lower 23 counties (30 points)

Other factors (75 possible points)

- * Is the project located on a brownfield site?
- * Is the project located in a rural area as defined under USDA? Go to <http://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do?pageAction=rbs&NavKey=property@13>
- * Workforce investment (for example: exceptional commitment to training, education, opportunities for advancement, safety, environmental safety, etc.)
- * Orientation toward new products, processes, or markets
- * Corporate Headquarters in Indiana
- * Use of Indiana “Buy Indiana” vendors for ongoing operation of this project. (Give percentage and budgeted dollars spent)
- * High growth company employing highly skilled workers with high wages
- * Significant number of jobs state-wide
- * Use of Indiana Certified MBE or WBE companies for ongoing operation of this project. (Give percentage and budgeted dollars spent) Go to <http://www.in.gov/idoa/2352.htm>
- * Previous use of volume cap – hitting stated targets by entities who were previously awarded volume cap (by not hitting targets, points may be subtracted)
- *Support letter from the Indiana State Department of Agriculture
- *Support letter from the Indiana Economic Development Corporation

4. **EXEMPT FACILITY PROJECTS**

Scoring criteria for Exempt Facility Projects which are not eligible as manufacturing or not-for-profit utility projects: (Possible 330 points)

Job quantity and quality (100 possible points)

Number of new and retained Indiana jobs (40 possible points)

- 1 - 11 (4 points)
- 12 - 22 (8 points)
- 23 - 33 (12 points)
- 34 - 44 (16 points)
- 45 - 55 (20 points)
- 56 - 66 (24 points)
- 67 - 77 (28 points)
- 78 - 88 (32 points)
- 89 - 99 (36 points)
- 100+ (40 points)

Average hourly wages of new and retained jobs (60 possible points)

- less than 5% above state average wage (10 points)
- 5% - 10% above state average wage (20 points)
- 10% - 15% above state average wage (35 points)
- more than 15% above state average wage (60 points)

Investment Leverage (40 possible points)

Amount of new capital investment on this project (1 point for each million – max 20 points)

\$ capital investment / \$ volume cap (20 possible points)

- 1 times (5 points)
- 2 times (10 points)
- 3 times (15 points)
- 4 times or more (20 points)

Permanent Air Pollutant Reduction (80 possible points)

Total of VOCs, NOX, and PM2.5 permanent reductions

- cumulative reduction of 10 tons per year (10 points)
- cumulative reduction of 25 tons per year (20 points)
- cumulative reduction of 50 tons per year (50 points)
- cumulative reduction of 100 tons per year (70 points)

SOX permanent reduction

- cumulative reduction of 10 tons per year (2 points)
- cumulative reduction of 25 tons per year (3 points)
- cumulative reduction of 50 tons per year (7 points)
- cumulative reduction of 100 tons per year (10 points)

Non-Attainment Effects (40 possible points)

Location (SEE APPLICATION FOR WEB LINK)

Project is located in a non-attainment county (25 points)

Adjacent Counties

Project county is adjacent to a non-attainment county (5 points)

Emission Credits

Applicant expects to sell credits as a result of this project (10 points)
See Annual Reporting requirement guideline.

New Technology (70 possible points)

Use of Indiana Coal

- Percent of feed stock which will be Indiana coal
- > 80% (20 points)
- 61% to 80% (15 points)
- 41% to 60% (10 points)
- 21% to 40% (5 points)

Implementation of New Technology or Process

Implements a significant amount of new technology	(50 points)
Implements some new technology	(35 points)
Implements very little new technology	(20 points)

5. **OTHER PROJECTS**

a. Multi-Family Housing

The timing of volume cap award cycles will correspond with the application deadline for the Indiana Housing & Community Development Authority's (HCDA) Rental Housing Tax Credit Program. Escrow closings will not be permitted.

Applications will be scored by the HCDA in accordance with the criteria established by the HCDA in its most current Qualified Allocation Plan (QAP), which is incorporated by reference into these guidelines. The HCDA's most current QAP can be found at <http://www.in.gov/myihcda/2344.htm>.

d. 501(c)(12) Exempt Facilities

The IFA refers all 501(c)(12)'s to the State Revolving Loan Fund. Contact the Technical Review Manager at (317) 234-4862.

6. **CONTACT INFORMATION**

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