

*Volusia County
Department of
Economic Development's*

**Procedure for financing with
Industrial Revenue Bonds**

Applications are available from the Volusia County Department of Economic Development, Daytona Beach International Airport, Suite 200, 700 Catalina Drive, Daytona Beach, Florida, 32114, or by calling 800.554.3801.

Submission of an application must be accompanied by the following:

- a copy of the company's most recent quarterly financial statement,
- copies of the company's tax returns for the past three years,
- a completed Volusia County IRB application along with the application fee, and
- a copy of a commitment letter from the prospective buyer of the Industrial Revenue Bond.

Once all the documents have been received, a meeting of the Industrial Development Authority Board is scheduled to begin the approval process for your IRB.

The average processing time for the completion of an IRB approval takes 30 to 45 days from the time all documentation is received.



floridabusiness.org

For additional information, contact
Phil Ehlinger, business manager
at pehlinger@co.volusia.fl.us or 386.248.8048.

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Volusia County Department of Economic Development

*Industrial
Revenue bond
financing*





Administered by Volusia County's Industrial Development Authority (IDA), the Industrial Revenue Bond (IRB) program provides an alternative tax-exempt financing vehicle for manufacturers and qualifying 501(C)3 non-profits planning capital investment projects in Volusia County.

IRBs are securities issued by the IDA. Companies applying for financing are considered the borrower for credit purposes.

The IRB program provides financing for:

- land acquisition,
- new construction,
- renovation of existing facilities,
- acquisition of existing facilities,
- capital equipment and machinery,
- architectural, engineering, legal, and bond fees associated with the issuance of the bonds, and
- up to 100% financing for qualified projects.

IRB financing

Who is eligible?

Eligible businesses are manufacturing, distribution, warehousing, research and development, and corporate headquarters.

Why are interest rates lower?

Since IRBs are considered a special obligation of a government unit, the interest on an IRB is not subject to federal or state income tax. The bond purchaser/lender, therefore, does not need to charge the same net rate of return as if the loan were made on a conventional basis. The lower interest cost is passed on to the borrower.

Interest rates and terms are generally negotiated by the borrower and the bond purchaser and are based on an assessment of the credit worthiness of the borrower. Banks and institutional investors are traditionally the buyers of most bonds.

Tax-exempt IRBs are limited to a \$10 million principal amount. IRB interest on principal in excess of \$10 million would be taxable to the bond purchaser.

IRBs may NOT be used for refinancing, restructuring of debt, venture capital or for working capital and inventory.