

***THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF MARICOPA***

GUIDELINES FOR THE AUTHORITY'S COMMUNITY INVESTMENTS

(Effective January 13, 2015)

I. HISTORY AND MISSION OF THE AUTHORITY.

The Industrial Development Authority of the County of Maricopa (the "Authority") was formed in 1973 as an Arizona nonprofit corporation and a political subdivision of the State of Arizona in accordance with the Industrial Development Financing Act, Arizona Revised Statutes Section 35-701, *et seq.* (the "State Act"). Although the Authority is a legal entity separate and apart from Maricopa County, Arizona (the "County"), the Authority's Board of Directors is appointed by the Maricopa County Board of Supervisors, and the Authority goes to great lengths to ensure that each of the Authority's actions reflect positively on the County. The Authority's mission is to help create and maintain jobs within the County and to attempt to help residents of the County achieve a better standard of living and way of life. To that end, the Authority has certain powers which enable it to assist in the financing of affordable housing, healthcare, manufacturing, industrial, and commercial enterprises within and without the County. The Authority prefers to finance discrete projects or programs. The Authority prefers to avoid relationships which would make an applicant dependent upon the Authority's funds for the administration of a project or program over a period of years. This document is intended to serve as a guideline for the Authority's decision-making with respect to requests for community investments from the Authority's funds, and specifically does not apply to the Authority's decision to issue bonds.

II. THE COMMUNITY INVESTMENT COMMITTEE

The Authority has established the Community Investment Committee ("CIC") as an advisory committee to assist the Authority in evaluating community investments. The CIC may develop separate practices and procedures from time to time for submission of a loan or grant application to the Authority for consideration. All grant applications will be referred to the Arizona Community Foundation ("ACF") for screening and due diligence. The CIC may engage third parties to assist it in the evaluation of an application. The CIC, in the exercise of its discretion, may decline an application for any reason, without further action by the Authority. The CIC may recommend that an application be submitted to the Authority for further action, but the CIC does not have any power or authority to approve a grant or loan as such power and authority is expressly reserved to the Authority. Nothing herein precludes the Authority from modifying the power, purpose or structure of the CIC or creating new or additional advisory committees to assist the Authority.

In addition to considering an application that the CIC submits, the Authority may consider an application recommended by one of its Board Members or the Executive Director of the Authority, if the Authority affirmatively votes to consider an application without first being recommended by the CIC.

III. GENERAL PREFERENCES.

The following is intended to provide general guidelines on the Authority's preferences with respect to the use of its funds:

a. **Public Purpose.** In order to receive any of the Authority's funds, Applicants must demonstrate that a strong public purpose will be achieved through the use of the Authority's funds. The Authority's preference is to make funds available for economic development, new business locations or expansion of existing businesses or job training programs that result in the creation of new, quality jobs that improve or enhance the economic welfare of the State's inhabitants. The business enterprise must be viable and must demonstrate its long term commitment to the State economy. For job training programs, the education must be focused towards occupations with a high likelihood of permanent employment and for programs with a strong track record such as those offered by the State's Community Colleges. The Authority also supports affordable housing, veteran programs and educational programs in identified areas of need.

b. **Sustainability.** Applicants must demonstrate long-term financial viability by identifying revenue streams other than the Authority's funds. The Authority has a strong preference for the matching of its funds against funds and in-kind contributions from other sources. Applicants should clearly demonstrate the manner in which the Authority's funds will be leveraged with funds and in-kind contributions (including the value of human capital from volunteer services) from other sources.

c. **Management.** The Authority prefers to deal with Applicants that have a proven track record and strong management.

d. **Administration.** The Authority prefers to have a minimal role in the actual administration of a project or program. It is preferable to have an entity involved which is capable of providing administrative services.

e. **Goal, Objective, Measurable Result.** The Authority requires that Applicants specify objectives and performance measures within a specified time frame. Applicants should set forth the metrics by which the Authority's community investment could be measured against the public purpose and benefit identified in the Application. **Examples** of measurable results would include the number, classification, and estimated salary range of jobs to be created or retained.

f. **Reporting.** On or before each yearly anniversary date of the Authority's approval of an application, or such other time as the Authority may direct, Applicants shall be required to provide the Authority with a written report regarding the status of the agreed upon objective goals. Further, Applicants may be required to make an oral presentation of such reports at an Authority meeting.

g. **Special Consideration.** The Authority will consider and may give special consideration to those entities that have financed projects through the Authority.

IV. LOAN GUIDELINES.

The following is intended to provide general guidelines on the Authority's preferences with respect to a loan:

a. **Loan Terms.** To the greatest extent possible, the Authority desires to see its funds repaid quickly so that the funds can be recirculated to finance other worthwhile projects. In no event shall the term of the loan be greater than the useful life of the funded assets.

b. **Required Information.** An Applicant desirous of receiving a loan from the Authority must provide the Authority with sufficient facts and information to allow the Authority to make the following findings based on the Authority's consideration of all facts and circumstances surrounding the proposed transaction:

1. The objective and purpose of the loan fits within the Authority's statutory framework under the State Act;
2. The objective and purpose of the loan provides a real benefit to the public; and
3. The consideration received by the Authority in the form of the public benefit to be conveyed by the Applicant from the operation of its project or program must outweigh the consideration given by the Authority to the Applicant, i.e. the amount of the Authority's funds to be loaned to the Applicant.

c. **Debt Versus Equity.** The Authority desires to make loans rather than equity investments.

V. GRANT GUIDELINES.

The following is intended to provide general guidelines on the Authority's preferences with respect to a grant:

- a. **Loan Versus Grants.** The Authority strongly prefers to make loans instead of grants..
- b. **501(c)(3) Organization.** Except in highly unusual circumstances, the Authority will only consider a grant request from a recognized, tax-exempt, nonprofit 501(c)(3) organization.

VI. LIMITATIONS ON FUNDING.

Subject to the Reservation of Rights set forth herein, the Authority's funds will not be made available for the following purposes, among others:

- a. General support of operating budgets;
- b. Reduction of organizational debt;
- c. Direct lobbying or influences of elections;
- d. Fundraising campaigns and expenses;
- e. Telephone and/or mail solicitation;
- f. Sponsoring or attending conferences;
- g. Political parties;

- h. Individuals;
- i. Religious organizations for religious purposes; or
- j. Organizations that unfairly discriminate on the basis of race, color, gender, national origin, marital status, age, disability or veteran status.

VII. RESERVATION OF RIGHTS.

Until the Authority funds a community investment, it reserves the right to:

- a. Reject an Application in whole or in part;
- b. Reject the Application as being incomplete;
- c. The Authority reserves the right to approve the Applicant's choice of accountants, counsel, appraiser, architect, engineer, financial consultant, mortgage banker, or other professionals or agents;
- d. Require corrections, deletions, changes, additions, or amendments to any of the documents related to the Authority's funds;
- e. Propose any other reasonable conditions, covenants, or requirements as a condition precedent to the disbursement of the Authority's funds; and
- f. The Authority is retaining discretion which accompanies the making of a business judgment and, for that reason, reserves the right to waive any covenants, conditions, or terms set forth in these Guidelines or in the documents prepared in connection with the use of the Authority's funds.

VIII. APPLICATION REVIEW PROCESS; DELIVERABLES.

The CIC anticipates that it will consider applications for loans periodically and applications for grants twice a year on dates the CIC will establish. Applicants should anticipate that it will take a minimum of **45 days** from the date that the applicant submits a complete written application with the appropriate supporting information. Incomplete applications will be rejected or deferred until a complete application with supporting information is provided. In addition, the Authority will need time to use its business judgment to review an application. Under the Authority's review process, all applications will be reviewed by the CIC or other advisory committees prior to being presented to the Authority's Board as a whole. **15** counterparts of the Applicant's response to the attached Questionnaire must be submitted to the Authority at the following address:

The Industrial Development Authority of the County of Maricopa
c/o Maricopa County
301 West Jefferson, 10th Floor
Phoenix, Arizona 85003
Tel. (602) 506-1367
Fax (602) 506-4451

VIII. ALL PRIOR LOAN OR GRANT GUIDELINES OR POLICIES ARE SUPERSEDED

These Guidelines, when adopted by the Board of Directors of the Authority, supersede all previously adopted loan or grant guidelines or policies established by the Authority.

Attachment - Applicant Questionnaire

**THE INDUSTRIAL DEVELOPMENT AUTHORITY
OF THE COUNTY OF MARICOPA**

APPLICANT QUESTIONNAIRE

This Applicant Questionnaire is designed to act as a guideline for the Applicant's use in providing the Authority with sufficient information on which to base an Applicant's request for project or program funding. The Authority requests that the Applicant submit its responses to the Applicant Questionnaire, restating all of the captions set forth on the Application Questionnaire, including a written restatement of each section, title, and question or request for information, as well as the Applicant's response or appropriate notations as to the inapplicability of certain items. The Applicant should endeavor to answer each question or request for information as thoroughly as possible, and, if the question or request is not applicable to the Applicant mark "N/A".

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c/o Maricopa County
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Section I. EXECUTIVE SUMMARY

- 1.1** Provide a short, plain statement of the type of business or businesses engaged in by the Applicant and a brief description of the Applicant's business structure, e.g. corporation, partnership, limited liability company.
- 1.2** Provide a short, concise description of the project or program.
- 1.3** Please specify the sources and uses of funds with respect to the Applicant's project or program.
- 1.4** Have any expenditures shown on the estimated uses of funds already been incurred by the Applicant? If yes, indicate particulars.

Section II. APPLICANT INFORMATION

- 2.1** Full Name of Applicant: _____
- 2.2** Principal Place of Applicants Business: _____
- 2.3** Form of Business Organization: _____

2.4 For each of the Applicant's Executive Officers, provide the following:

Name: _____

Title: _____

Addresses: _____

Telephone Number: _____

Facsimile Number: _____

2.5 For each member of the Applicant's Board of Directors/Trustees, please provide the following:

Name: _____

Addresses: _____

Telephone Number: _____

Facsimile Number: _____

Section III. APPLICANT BACKGROUND

3.1 Provide a statement of the type of programs and activities engaged in by the Applicant, as well as the Applicant's background and experience with respect to the proposed project or program.

3.2 Describe the Applicant's major achievements.

3.3 Identify and describe the projects or programs currently administered by the Applicant and the source of funding.

3.4 Describe the performance of past and current projects or programs administered by the Applicant and how the Applicant measures the success of its projects or programs.

3.5 Is the Applicant or, if the Applicant is a partnership, its general partners, involved in any material litigation or contingent liabilities? If yes, provide a detailed explanation.

3.6 Has the Applicant or any of the Applicant's officers, directors or general partners been charged or convicted of a felony or a misdemeanor involving moral turpitude, or is now or has ever been charged with or convicted of any civil or criminal offense relating to the conduct of the business? If yes, provide a detailed explanation.

Section IV. PROJECT OR PROGRAM DESCRIPTION AND GOALS

4.1 Please specify the amount of your request and whether you are seeking a loan or a grant.

Describe in detail (a) the Applicant's proposed project or program. (b) the project's or the program's goals and objectives, and (c) how the project or program will be utilized to further both the Applicant's mission and the Authority's mission.

4.2 Describe the means to measure and track (a) the Applicant's ability to achieve its desired goals or objectives for its project or program and the time frame associated with such results; (b) the criteria used to measure the effectiveness of the community investment; and (c) the impact of the Authority's community investment. If possible, please specify the plan to periodically track and document progress towards meeting the project or program's objectives.

- 4.3 Describe the marketing efforts planned for the project or program.
- 4.4 Describe the Applicant’s organizational structure. Specifically identify the person who will be responsible for management, as well as the provision of day-to-day services for the project or program.
- 4.5 Identify any individuals or organizations that are collaborating with you and describe the assistance and support that they will bring to the project or program.
- 4.6 Identify any plan or arrangement to leverage the Authority’s community investment through matching funds, contributions of property, investment of human capital or otherwise.
- 4.7 If you are seeking a loan, please provide the following information:
 - (a) the amount of the loan request and the purposes for which the loan will be used;
 - (b) the timing and source of repayment;
 - (c) the collateral that will secure the loan, including a complete description of the collateral and its value, whether any other liens against or interests in collateral;
 - (d) any guarantees to support the request and financial information on the proposed guarantors;
 - (e) any documentation to support the request;
 - (f) additional information, documentation and signed certifications that may be requested by the Authority.

Section V. APPLICANT FINANCIAL STATEMENTS; DETERMINATION LETTER; CERTIFICATE OF INSURANCE

- 5.1 **Attach copies** of audited financial statements prepared in accordance with generally accepted accounting principles by a certified public accountant for the Applicant’s **3** most recently completed **fiscal years**, if available. If the annual financial statements were prepared more than **6 months** prior to the date of the Application, then the Applicant must also submit interim financial statements.
- 5.2 **Attach copies** of the Applicant’s **IRC Section 501(c)(3)** determination letter and current Form 990 return, if applicable.
- 5.3 Attached current Certificate of Insurance.

Section VI. APPLICANT REFERENCES

- 6.1 Provide references knowledgeable of the Applicant and its past performance with projects or programs, in the form set forth below:

Banking Reference: _____
 Contact Name: _____

Company Name: _____
Address: _____
Telephone Number: _____

Other Business Reference:
Contact Name: _____
Company Name: _____
Address: _____
Telephone Number: _____

6.2 Provide the following information for each other funding source:

Contact Name: _____
Company Name: _____
Address: _____
Telephone Number: _____

Section VII. AFFIRMATION

All facts and statements contained in this Application, including all exhibits and attachments hereto, are true and correct to the best of the Applicant's knowledge and belief. The Applicant knows of no material adverse fact relating to the Applicant or its project or program not described in the Application, including the exhibits and attachments hereto. The Applicant hereby consents to all investigations deemed reasonably necessary by the Authority.

DATED: _____

APPLICANT:
(Insert Full Name of Applicant)

By: _____
(Insert Title)