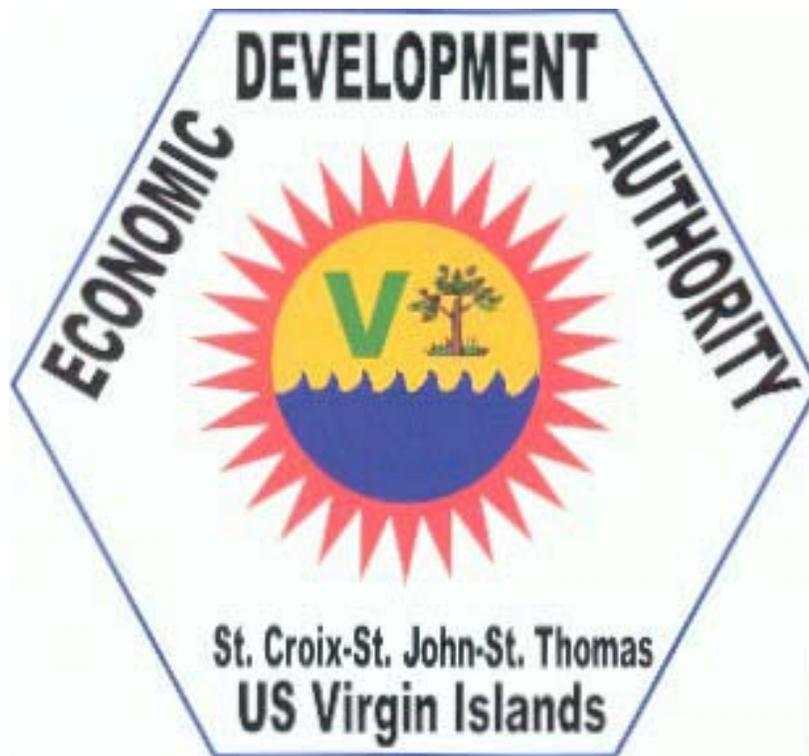




UNITED STATES VIRGIN ISLANDS TAX INCREMENT FINANCING PROGRAM



**The Virgin Islands Economic Development Authority
Application**

Tax Increment Financing Overview

Government Mandate: It is the policy of the Government of the United States Virgin Islands through the Virgin Islands Economic Development Authority (the “Authority”) to promote the sound growth and development, vitalization and revitalization of the United States Virgin Islands through the use of real property tax increment revenues and gross receipts tax increment revenues to pay for or finance the cost, or a portion of the cost, of capital improvements projects in areas where a finding has been made by the Authority, and approved by the Legislature, that the need for tax increment financing will be a significant enhancement of the economic viability of a project. Such projects will: promote significant opportunities for employment of its citizens; attract new business enterprises within the TIF areas; retain or expand an existing business enterprise in the TIF area; provide affordable housing in the TIF area; increase revenues to the Government through increased tax revenues; be beneficial to the general economic development of the TIF area; and/or create projects that would not have been developed without TIF.

Assistance: The Virgin Islands Public Finance Authority (the “PFA”) may issue tax-exempt and taxable bonds, payable entirely or in part from incremental real property, gross receipts taxes allocated and deemed appropriated from the PFA’s tax increment trust funds, to help finance, on a self-sustaining basis, significant economic projects located in the Territory.

Eligible Applicants: Any person, firm or corporation with an eligible economic development project, or any governmental entity seeking to support such a project.

Eligible Uses: Consideration will be given to projects that:

- A. meet the criteria as set forth in Virgin Islands Code Title 29, Chapter 22 § 1203(a)
- B. add substantial new economic activity, employment, and affordable housing in the project community and surrounding areas, and generate significant additional tax revenues
- C. require the use of TIF bonds to attract such a project to the Territory
- D. are economically viable and self-sustaining
- E. provide direct and indirect benefits to the Territory that outweigh costs of the project
- F. are consistent with the strategic development priorities of the Territory

Bond Term: Generally between [10] and [30] years

Interest Rate: Negotiated sale or competitive bid with bond purchasers developed in conjunction with the PFA.

Bond Amount: Determined by the net incremental taxes to be generated by the project.

Fees:

Application:

A [\$50,000] deposit shall be paid with the application, to be credited against the cost of the independent financial assessment study and other administrative costs, **plus** a non-refundable fee based on the proposed bond amount:

\$5 million or less[\$5,000]
More than \$5 million[\$7,500]

In the event costs for third party (contract/independent) services exceed the fee collected, the applicant will reimburse the Authority for said amount prior to final consideration of the application by the Authority. Any unused portion shall be returned to the applicant.

Bond Closing:

[\$5 million or less (At closing and on each anniversary.)..... ½ of 1% of bond amount]
[More than \$5 million (At closing and annually.)..... ¼ of 1% of bond amount]

APPLICATION FOR TAX INCREMENT

A. APPLICANT INFORMATION

1. Name of Corporation/Partnership/Individual _____

Address _____

Primary Contact _____

Address _____

Phone _____ Fax _____ Email _____

2. On a separate sheet, please provide the following:

- Brief description of the applicants business, ownership and management, including history, principal product or service, future plans. Attach as **Schedule 1**.
- Brief description of the proposed land use of the project. Attach as **Schedule 2**.
- List names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. Attach as **Schedule 3**.
- A delineation of the proposed TIF Area (must include, but not limited to, metes and bounds delineation). Attach as **Schedule 4**.

3. Account Name _____

Address _____

Phone _____ Fax _____ Email _____

4. Architect Name _____

Address _____

Phone _____ Fax _____ Email _____

5. Attorney Name _____

Address _____

Phone _____ Fax _____ Email _____

6. Contractor Name _____

Address _____

Phone _____ Fax _____ Email _____

7. Engineer Name _____

Address _____

Phone _____ Fax _____ Email _____

B. PROJECT INFORMATION

1. The project will be (Check all that apply):

_____ Industrial Greenfield:	_____ New Construction	_____ Expansion
_____ Commercial Redevelopment:	_____ New Construction	_____ Expansion
_____ Industrial Redevelopment:	_____ New Construction	_____ Expansion
_____ Housing Redevelopment:	_____ New Construction	_____ Expansion
_____ Mixed Use Redevelopment:	_____ New Construction	_____ Expansion
_____ Other	_____	_____

2. Please explain the basic components of the project proposed, intent of project, amount of new commercial square footage, numbers of housing units (rental or owner occupied), etc.

3. The project will be: _____ Owner Occupied _____ Leased Space

If leased space, please attach a list of names and addresses of future lessees and indicate the status of commitments or lease agreements. **Attach as Schedule 5.**

4. Project Address _____
Legal Description _____

5. Amount of Tax Increment Requested for:

Building Demolition	\$	_____
Environmental Remediation	\$	_____
Public Improvements	\$	_____
Site Improvements	\$	_____
Land Acquisition	\$	_____

(Land Acquisition shall not exceed 50% of total subsidy request)

Total Subsidy Requested \$ _____

6. Current Assessed Value on Project Site: \$ _____

7. Estimated Assessed Value upon Completion: \$ _____

8. Current Real Estate Taxes on Project Site:
\$ _____

9. Estimated Real Estate Taxes upon Completion:
\$ _____

10. Construction:

Start Date: _____ Completion Date: _____

If phased Project, please explain portions to be completed within each phase with percentage of total construction for each phase on a separate sheet. **Attach as Schedule 6.**

C. PUBLIC PURPOSE

It is the policy of the Authority that the use of Tax Increment Financing should result in a benefit to the public. Please indicate how this project will serve a public purpose.

- _____ Job Creation: Number of existing jobs _____
- _____ Number of jobs created by project _____
- _____ Average hourly wage of jobs created _____
- _____ Increase in tax base and provide increased tax revenues
- _____ Enhancement or diversification of the territories' economic base.
- _____ New industrial development which will result in additional private investment in the area.
- _____ The project contributes to the fulfillment of the Authority's development or redevelopment objectives.
- _____ Removal of blight or the rehabilitation of areas that have declined and/or are stagnant.
- _____ Development of an under developed area.
- _____ Enhance or increase affordable housing.
- _____ Other _____
- _____ Programs/Policies ameliorating the effects of any potential and foreseeable displacement of existing local competitors (please attach additional sheets, as needed)

D. SOURCES & USES

<u>SOURCES</u>	<u>NAME</u>	<u>AMOUNT</u>
Bank Loan	_____	\$ _____
Other Private Funds	_____	\$ _____
Equity	_____	\$ _____
Fed Grant/Loan	_____	\$ _____
Local Grant/Loan	_____	\$ _____
Other Loans	_____	\$ _____
ID Bonds	_____	\$ _____
Tax Increment	_____	\$ _____
TOTAL		\$ _____

<u>USES</u>	<u>AMOUNT</u>
Land Acquisition	\$ _____
Site Development	\$ _____
Construction	\$ _____
Machinery & Equipment	\$ _____
Architectural & Engineering Fees	\$ _____
Legal Fees	\$ _____
Interest During Construction	\$ _____
Debt Service Reserve	\$ _____
Contingencies	\$ _____
TOTAL	\$ _____

E. COMPLIANCE:

1. Environmental Compliance: Does the Applicant have any outstanding order(s) or citation(s) from the Federal Environmental Protection Agency? If so, please provide details. (Please attach additional sheets as necessary)

EPA Contact & Phone Number: _____

2. OSHA Compliance: Does the Applicant have any outstanding order(s) or citation(s) from the Federal Occupational Safety and Health Administration? If so, please provide details. (Please attach additional sheets as necessary)

OSHA Contact & Phone Number: _____

3. Department of Planning and Natural Resources: Does the Applicant have any outstanding Order(s) or Citation(s) from the Department of Planning and Natural Resources or any of its divisions? If so, please provide details. (Please attach additional sheets as necessary)

DPNR Contact & Phone Number: _____

4. Coastal Zone Management Act Compliance: Please provide a description of the project's compliance with all provisions and requirements of Title 12, Chapter 21 of the Virgin Islands Code, known as the Virgin Islands Coastal Zone Management Act of 1978, as amended (please attach additional sheets as necessary) (See also schedule 7)

E. ADDITIONAL DOCUMENTATION

Applicants will also be required to provide the following documentation.

Note to Applicant – All Exhibits from the checklist must be complete before EDA staff will submit your request for tax increment financing for initial consideration by the Authority.

Submit the following as Exhibits to the Application that will include the information set forth in the following checklist:

Checklist

- Exhibit A – Tax Increment Application Affidavit (*submitted for preliminary qualification*):
 - Developer will pay an Application Fee of \$ _____.
 - Developer will acknowledge the maximum tax rebate available for the Project;
 - Developer and/or lead financing entity will sign an Affidavit that the project would not be financially feasible, if it were not for the Tax Increment Financing.

- Exhibit B – Declaration of Development Team and Disclosure of Principals and Entity, including:
 - History of the Development Entity
 - Resumes of all principals and key individuals
 - Organizational structure of the development entity

- Exhibit C – Description and Narrative of the Project, including:
 - Copies of Project Contracts and/or Memoranda of Understanding
 - Detailed Performance/Construction Schedule
 - Site Plan and Rendering
 - Copies of Deeds, Leases, Option Contracts, and other legal documents
 - Photographs of Property
 - Tax Bills
 - Survey
 - Maps of the Plan Area and the Project Area

- Exhibit D – Project Funding and Financial Information, including:
 - List and breakdown of Sources and Uses of Funds to undertake Project
 - Assessment of financial feasibility of the Project
 - Detailed projections of TIF Revenues by parcel for the term of the requested TIF
 - Pro-forma statement for five (5) years
 - Current financial statements (2 yrs); P & L (3 yrs); and Balance Sheet (3 yrs) (if newly formed, a copy of a balance sheet as of the most recent month-end)
 - Current banking relationships
 - Performance bond references
 - Evidencing of bonding capacity
 - Developer will list and specify all eligible TIF Costs

VII. Signature

I, the undersigned, affirm that the project descriptions, numerical and financial estimates, and all other information I have provided in this Application are true and complete to the best of my knowledge. I have read and understood the requirements described in this Application, including the Tax Increment Financing Program of The Virgin Islands Economic Development Authority. Furthermore, I certify that I am authorized to initiate the TIF application process on behalf of the Applicant and the Project described. The undersigned authorizes the Economic Development Authority to check credit references and verify financial and other information. The undersigned also agrees to provide any additional information as may be requested by the Authority after the filing of this application.

Applicant Name, _____

Signed, _____ Date: _____, 20__

Title: _____

NOTARY PUBLIC

Legal Disclaimer

COMPLETION OF THIS APPLICATION DOES NOT ENTITLE THE APPLICANT TO FINANCIAL ASSISTANCE. ANY SUCH ASSISTANCE MUST BE APPROVED BY THE VIRGIN ISLANDS ECONOMIC DEVELOPMENT AUTHORITY THROUGH CERTIFICATION AND IS FURTHER SUBJECTED TO APPROVAL BY THE LEGISLATURE OF THE VIRGIN ISLANDS AND THE APPLICANT PROJECTS ABILITY TO PROCURE BOND ISSUANCE THROUGH THE VIRGIN ISLAND PUBLIC FINANCE AUTHORITY. THE AUTHORITY RESERVES THE RIGHT TO REJECT ANY AND ALL PROJECTS, EVEN THOSE WHICH SATISFY ALL OF THE LEGISLATIVE CRITERIA FOR THE USE OF TAX INCREMENT FINANCING FOR ANY REASON WHATSOEVER WITHOUT REGARD TO THE VIABILITY OF THE PROJECT.

Acknowledgement of Disclaimer

Signature _____

Name: _____ Date: _____, 20__

By (Title): _____

NOTARY PUBLIC

My Commission expires _____

SCHEDULE 1

Description of the corporation, partnership or individual

SCHEDULE 2

Description of the proposed land use of the project

SCHEDULE 3

Names of officers and shareholders/partners with more than five percent (5%) interest in the corporation/partnership. (if applicable)

SCHEDULE 4

Delineation of Proposed TIF Area (including but not limited to metes and bounds)

SCHEDULE 5

Prospective Lessees

SCHEDULE 6

Project phases (including brief description of each phase with percentage of construction to be completed for each phase)

SCHEDULE 7

Description of projects compliance with all provisions of Coastal Zone Management Act of 1978

EXHIBIT A

TAX INCREMENT APPLICATION AFFIDAVIT

AFFIDAVIT
TO
TIF APPLICATION

I, _____, being first duly sworn, depose and state under penalty of perjury as follows:

1. I am a corporate officer, managing member, general partner or sole proprietor of

("Applicant"), a company duly organized in the State of _____ as a _____
(Corporation/LLC/Sole Proprietorship/General Partnership/Limited Partnership). The Applicant submits this Application requesting tax increment financing for the project located at _____
_____ ("Site"). The Applicant represents that this Application and all information furnished in support of the Application for the purpose of obtaining financial assistance under the Virgin Islands Tax Increment Financing Program ("TIF Program") are true and complete to the best of the Applicant's knowledge and belief.

2. Applicant hereby acknowledges and declares that it will comply with the following submittal requirements for tax increment financing assistance from The Virgin Islands Economic Development Authority (the "Authority").

(i) Applicant will list and specify all costs of qualified improvements to Public Infrastructure for tax increment financing;

(ii) Applicant will acknowledge the maximum tax increment reimbursement available for the Project;

(iii) Applicant will pay a tax increment financing application fee of \$ _____ to the Authority at the time of application;

(iv) Applicant will be required to pay the Authority an administration fee (bond closing) equal to _____, which will be deducted annually out of the tax increment rebate check fee to the Applicant.

5. Applicant acknowledges and declares that no other reasonable means of financing the public improvements proposed to be financed with tax increment financing are available, because of one or more of the following reason(s) as checked by Applicant:

_____(i) The Project, including the public improvements, if financed by Applicant through cash on hand or through debt financing from a private lender, would not result in a reasonable rate of return to the Applicant; or

_____(ii) Applicant would not undertake the full set of improvements contemplated in the Application through resources reasonably available to the Applicant.

6. The undersigned Applicant hereby agrees that the Applicant shall at all times indemnify and hold harmless the Authority, its employees, officers, directors, counsel, and consultants against all losses, costs, damages, expenses (including reasonable attorney fees), and liabilities of any

nature directly or indirectly resulting from, raising out of or relating to the acceptance, consideration, approval, or disapproval of this Application for tax increment financing assistance.

DATED this _____ day of _____, 20____

_____,
Signature Title

Signed and sworn to before me this _____ day of _____, 20__.

Notary Public

My commission Expires: _____

EXHIBIT B

HISTORY OF THE DEVELOPMENT ENTITY

EXHIBIT C

SITE PLAN AND RENDERING

EXHIBIT D

BREAKDOWN OF SOURCES AND USES OF FUNDS TO UNDERTAKE THE PROJECT