

**CITY OF SANTA ANA EMPOWERMENT ZONE  
EZ BOND FINANCING PROJECT APPLICATION**

Please complete the following information format. Fill in the appropriate charts on employment, payroll, and cost information. Attach additional sheets to complete the remaining information. **The complete application package must be typed.**

- I. APPLICANT COMPANY** – Please answer the following questions (A-F) for both the applicant (borrowing entity) and the user of the facility, if different.

**Company Identification**

- A. Official business name, contact person, title, company address, telephone number, fax number, website (optional) and email address (optional).
- B. Any “Doing Business As” names.
- C. Address of Applicant’s headquarters, if different.
- D. Other operating locations in California.
- E. The legal form of the Applicant, corporation, partnership, or sole proprietorship. Complete the appropriate section below.

**Corporation**

- 1) Officers of the Corporation.
- 2) Major Shareholders (10% or more)
- 3) Date and place of incorporation.
- 4) For publicly held corporations, stock exchange on which listed. If traded over the counter, or on NASDAQ, please indicate the market makers.

**Partnership**

- 1) Names and addresses of general and limited partners, and share of ownership.
- 2) Date of partnership.

**Sole proprietorship** – date and place of establishment.

**Business relationships**

Is the Applicant or User an owner, subsidiary or affiliated directly or indirectly with any other business or organization? If so, indicate the relationship.

**Company Description**

A. Tax Identification for Applicant and User

1. IRS Office where tax returns are filed
2. Tax Identification Number.

B. SIC number of company.

C. Description of principal products and/or services.

D. Major customers of firm's products, identifying specific companies and type of customer (i.e. discount retailer).

E. Description of firm's present physical activities, including size and use of facility.

F. Other tax-exempt financings currently outstanding.

**II. DESCRIPTION OF THE PROJECT**

**Project Location and Site Information**

A. Address and size of site (attach map or drawing) with streets.

B. Description of current improvements on the site, including age, current use and size; you may include pictures.

C. Ownership

1. Does Applicant currently own site?
2. If Applicant does not own site, a description of escrow agreement, lease arrangements, options or other evidence of Applicant's permission to use site or plans to acquire site.
3. Does Applicant own property in any other federally designated enterprise community/empowerment zone or state-designated enterprise zone?

**Proposed Project Description**

- A. Description of project, including whether it constitutes a renovation or new construction, the number of square feet to be constructed/renovated, the type of equipment being purchased, and any other pertinent information.
- B. Estimated time of construction or renovation, including start date and completion date.
- C. Principal products, uses and activities of project, including SIC Code of activity to be financed.
- D. Estimated useful life of buildings and/or equipment.
- E. Brief narrative describing purpose of project, explaining the business rationale and economic benefits to be achieved from the project.

**Project Eligibility**

To the best of your knowledge does the project meet the eligibility qualifications as described in the attached program guidelines? Please provide a brief narrative indicating how the project qualifies.

**III. COSTS OF THE PROJECT**

State the estimated total costs associated with the acquisition of the site and construction of the proposed project, including any utilities and proposed machinery and equipment purchases. Separate the costs based on their financing sources: the left column should total the bond amount; the sum of both columns should equal the total project costs.

	<b>To Be Paid From Bond Proceeds</b>	<b>To Be Paid From All Other Sources</b>
Acquisition of Land <sup>1</sup>	_____	_____
Acquisition of Existing Buildings	_____	_____
Fees and other charges related to sale	_____	_____
Rehabilitation of Existing Building(s)	_____	_____
Site Preparation	_____	_____
Construction of New Building(s)	_____	_____
Utilities Connection	_____	_____

Acquisition and Installation of Used Equipment	_____	_____
Acquisition and Installation of New Equipment	_____	_____
(a) Invoice	_____	_____
(b) Installation	_____	_____
(c) Other (please explain)	_____	_____
Engineering/Architecture	_____	_____
Legal, Permits, etc.	_____	_____
Bond Issuance Expenses <sup>2</sup> (including discount)	_____	_____
Letter of Credit or Bond Insurance Fee	_____	_____
Interest During Construction from _____ to _____	_____	_____
Interest Income During Construction from _____ to _____	_____	_____
Other (please explain)	_____	_____
	<b><u>Total</u></b> <b><u>Bond Amount</u></b>	<b><u>Total Other</u></b> <b><u>Costs</u></b>
	\$ _____	\$ _____

1. Only 25% of bond proceeds may be applied to the acquisition of land. This cost includes the cost of demolition of any existing buildings.
2. Total of issuance expenses paid from bond proceeds cannot exceed 2% of face amount of bonds.

**NOTE:** Project costs may not include working capital, moving expenses, inventory or assumption, repayment or refinancing of existing indebtedness other than construction loans.

**IV. PUBLIC BENEFITS**

A. Employment Benefits – Please provide your current figures on employment payroll and sales volume and your best estimate of these figures at the completion of the project and two years after completion.

	<u>Currently</u>	<u>Upon Completion of Project</u>	<u>Two Years After Completion</u>
<u>Overall Operations</u>			
Number of Locations	_____	_____	_____
Total Sales Volume	_____	_____	_____
Number of Employees	_____	_____	_____
Total Payroll	_____	_____	_____

EZ Project Site

Number of Employees (Total/EZ residents)	_____/____	_____/____	_____/____
Management (Total/EZ residents)	_____/____	_____/____	_____/____
Skilled (Total/EZ residents)	_____/____	_____/____	_____/____
Unskilled (Total/EZ residents)	_____/____	_____/____	_____/____
Total Payroll	_____	_____	_____

B. Other Employment Information, if applicable

1. Will completion of project lead to increased employment and payroll among your vendors, service providers or other related companies?
2. Indicate the impact of the proposed new jobs on the Empowerment Zone.
3. Will the completion of the project enable the company to retain jobs that would otherwise be lost?

C. Resource Conservation – Discuss any benefits of resource conservation arising from the project, including mineral and energy conservation, waste reduction, improvement of recovery, and more efficient resource utilization.

D. Consumer Benefits – How will this project increase the quality of or the quantity of products produced? Does the project involve the development of a new product or any particular product innovations?

- E. Other Public Benefits – Describe any other public benefits from the project, including, the revitalization of the Empowerment Zone, decreased public assistance payments or additional services or investment in the Empowerment Zone.

## V. PUBLIC DETRIMENTS

- A. Employment displacement – will the completion of the project contribute to job displacements within the Empowerment Zone, possibly from site clearance or demise of competing firms?
- B. Environmental impact – Does construction of the project, or completion of the project, have any adverse environmental impact, including additional waste disposal? If so, describe.
- C. Economic impact on the City of Santa Ana – Estimate types and costs of new public services or infrastructure improvements required by the projects, including utility upgrades and street improvements.

## VI. RELOCATION

- A. Reason for Relocation – If financing is required for relocation of a facility within the City of Santa Ana, document that the relocation is due to one of the following:
  - 1. An inadequacy of the existing facility.
  - 2. A significant change in the firm's operations that would require a different location.
  - 3. A building moratorium or zoning restriction where the existing facility is located.
  - 4. Expiration of the existing lease and proof that it cannot be renewed on reasonable economic terms.
  - 5. Other
- B. Will the company retain its current empowerment zone employees at the new facility? If so, what steps will the company take to mitigate the effects of the relocation on its current employees?
- C. Is the relocation necessary to prevent the relocation of substantial operations of the company outside the City of Santa Ana, or the abandonment of substantial operations of the company? If so, document.

## VII. PROPOSED BOND ISSUE

- A. Proposed terms of the bonds, including type of placement (private or public), final maturity, the mode of the bonds (that is, variable rate or fixed rate), and whether the bond issue is being used to refund an outstanding issue.
- B. Security on the bonds – Provide a commitment letter from a bank for an irrevocable letter of credit or guarantee of bond insurance (include as attachment).
- C. Identify the proposed participants (if any are known at this time) in the bond issue, including their names, address, telephone numbers, and contact persons:
  - 1) Underwriter/Placement Agent
  - 2) Underwriter's Counsel
  - 3) Applicant's Counsel
  - 4) Letter of Credit Bank
  - 5) Trustee/Paying Agent
  - 6) Other Participants

## VIII. ADDITIONAL DOCUMENTS

If it is the intention of the Applicant to have the bonds issued without credit enhancement, or if the borrower does not currently have credit enhancement, then please submit the following documents along with the application. If not available, indicate when these documents will be submitted.

- A. The proposed Underwriter/Placement Agent's experience marketing similar credits; a list of similar financings completed within the last five years; a proposed list of sophisticated investors (name, address, contact person, etc.); a copy of the proposed sophisticated investor letter, and; the names of three public issuer references.
- B. Financial Statements/Tax Returns for the past three years. For public corporations, these should be the latest 10K's; for private companies, we require the highest level of financial statements available, including, but not limited to the company's latest tax returns.
- C. Any other documents, such as company bank statements, evidence of lines of credit, marketing studies, etc., that the Applicant believes support the creditworthiness of the proposed project or that is requested or required by the credit analyst.

- IX. **APPLICATION FEE** -- \$1,250.00 is due at the time of application. The application fee is non-refundable but will be subtracted from the general fee (1/4 of 1% of the total bond amount) that is paid at the time of bond closing.