

## Peoria Industrial Development Authority (PIDA)

The Peoria Industrial Development Authority provides tax-exempt financing through industrial revenue bonds for the financing or refinancing of the cost of acquisition, construction, improvement, rehabilitation or equipping of a project.

Generally speaking, the proceeds of the bonds can be used for either the purchase or lease of land, buildings, machinery or equipment which is suitable for:

- Manufacturing, processing, or assembling of manufactured or agricultural products.
- Storing, warehousing, distributing, or selling of industrial, agricultural, or mining products, or research and development.
- Buildings that serve as company headquarters or regional offices.
- Adaptive reuse for offices of buildings listed on the National Register of Historic Places.
- Rehabilitation of residential buildings located in a registered historic neighborhood.
- Healthcare institutions as defined in Arizona Revised Statutes.
- Educational institutions operated by a nonprofit organization which is nationally accredited and not funded by state monies.
- Multifamily rental housing, with portion reserved for low and moderate income persons.
- Air or water pollution control facilities.
- Facilities for airports, mass commuting, parking, storage, or related training.

The PIDA is a “conduit” lender. It does not directly loan its own funds, but rather, “passes funds through” from third parties that purchase the PIDA’s bonds and loan them to the PIDA’s borrowers. Under the Internal Revenue Code, interest paid on these qualified loans is, generally speaking, excluded from gross income when calculating Federal and State of Arizona tax liability. The bonds are either sold to the public or privately placed with financial institutions. Often, the company can work with its own bank to secure the bond financing. The bond proceeds can be used to finance capital expenditures made in connection with qualified projects.

### *5 Things To Know About IDA Financing*

- The PIDA is a “conduit” lender and does not lend out its own money. Funds are disbursed from the bond purchaser to the company, which in many cases is a commercial bank. Typical credit requirements apply.
- Eligible applicants can be private, non-profit or public organizations.

- The lender can typically take advantage of the bond's tax exempt status so interest rates charged to finance the project may be lower than conventional financing.
- To determine the feasibility for bond financing of the project, an initial consultation with an independent bond attorney and banker is suggested prior to making application.
- The Peoria Industrial Development Authority (PIDA) is a non-profit corporation, designated as a political subdivision of the State of Arizona, and is appointed by Peoria's Mayor and Council. The PIDA holds regular public meetings.

### *Steps for PIDA Funding*

1. Applicant estimates project's costs and benefits.
2. Applicant meets with independent bond council to determine feasibility of application.
3. Applicant refines costs and works with financing source.
4. Applicant submits the application with \$3,000 non-refundable fee to the PIDA for preliminary approval.
5. Within 30 days, the PIDA will hold public meeting for preliminary approval.
6. PIDA financial and legal advisors review application and make recommendation.
7. PIDA requests Arizona Dept. of Commerce allocate funds against the state volume cap; if necessary.
8. Applicant submits request for final PIDA approval.
9. Within 30 days, PIDA holds public meeting for final approval.
10. Peoria City Council votes to decide final approval.
11. The bonds are sold (either privately or publicly) and the transaction closes.