

ASiMI (REC Silicon) Project
How a large project used
Federal, State and Local
programs

Unique Project Characteristics

- Project was very large
 - \$500 Million project
 - 200 jobs
 - Large water need
 - Requirement to be relatively isolated (it's chemical plant)
- Project Characteristics drove incentive decision
 - Property had estimated construction cost approaching \$500 million
 - Most of the property had a tax rate (then) of 6%
 - Project was going to be a very large property taxpayer
- Tax Increment Financing Industrial District
 - Direct a portion the property tax revenues to project infrastructure
 - Both the project and the local government would benefit

Characteristics of Project Shaped the Financing Structure

- Complexities began to emerge, not a routine tax increment financing
- Ideally, a tax increment district is mature, not new
- Many parcels and owners and economic activities
- Risk is framed in a context of diversity and history
- Infrastructure to be financed is clearly public in nature and will have many users
- ASiMI project did not fit the typical mold

Next Steps

- Constructed model to estimate tax increment
- Policy decision made to direct 60% of increment to project infrastructure
- Sized bonds based on increment
- Worked with ASiMI to determine the infrastructure to be built
- Worked with underwriter to package and sell the financing

TIFID Financing



– Size

- \$43 Million issued in two series to match timing of buildout

– Security

- Credit Enhanced (letter of credit)
- Reimbursement agreement from ASiMI
- No debt service reserve fund

Federal and State Program Funding

ASIMI Loan Information

Two Loans (EDA amount and CDBG amount)

Use same documents changing
only the principal amount and payment

EDA Loan

Amount	\$	2,942,300.00
Term (Months)		120
Interest Rate		6.00%
Monthly Payment		\$32,665.56

CDBG Loan

Amount	\$	314,700.00
Term (Months)	\$	120.00
Interest Rate		6%
Monthly Payment	\$	3,493.82

Total Blended Loans

Amount	\$	3,257,000.00
Term (Months)		120
Interest Rate		6.00%
Monthly Payment	\$	36,159.38

Use of Funding

Infrastructure

- Roads
- Landscaping
- Electrical Infrastructure
- Telecommunications
- Capitalized Interest
- Water and Wastewater improvements

Job Service Assistance

- Initial employee hiring was handled through local Job Service
- Job Service did all application screening and insured all employment regulations were followed
- After ASiMI was established their HR Department handled hiring

Questions & Comments

