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

<table>
<thead>
<tr>
<th></th>
<th>EDA Loan</th>
<th>CDBG Loan</th>
<th>Total Blended Loans</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Amount</strong></td>
<td>$ 2,942,300.00</td>
<td>$ 314,700.00</td>
<td>$ 3,257,000.00</td>
</tr>
<tr>
<td><strong>Term (Months)</strong></td>
<td>120</td>
<td>120</td>
<td>120</td>
</tr>
<tr>
<td><strong>Interest Rate</strong></td>
<td>6.00%</td>
<td>6%</td>
<td>6.00%</td>
</tr>
<tr>
<td><strong>Monthly Payment</strong></td>
<td>$32,665.56</td>
<td>$3,493.82</td>
<td>$36,159.38</td>
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</tbody>
</table>

Note: The calculations are based on the provided information.
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