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**NEWS RELEASE**

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**CDFA's Updated Manufacturing Definition for Industrial Development Bonds  
Legislation Introduced in Senate  
-- Change Would Allow High-Tech & Innovation Companies to Access IDBs --**

Cleveland, OH – A bipartisan effort has resulted in major legislation on Capitol Hill today. Senator Olympia Snowe, R-ME, Senator John Kerry, D-MA, Senator Sherrod Brown, D-OH, and Senator Gordon Smith, R-OR, have introduced S. 2885, legislation proposed by the Council of Development Finance Agencies (CDFA) to update the definition of manufacturing for industrial development bonds (IDBs). The Senators have worked diligently over the past several weeks to finalize the legislation and support this change as a way to assist manufacturing companies throughout the country.

IDBs, a bedrock financing tool for the economic development industry, have been subject to outdated manufacturing definitions for the past two decades. Current law does not allow high-tech, innovation and intangible manufacturing practices to be eligible for IDB financing.

"CDFA's proposed legislation remedies the challenges that state and local finance agencies face when trying to utilize IDBs to help finance manufactures working in the high-tech and innovation industries. This legislation provides communities with an improved tool for assisting with job creation, investment, business retention and economic growth," said Toby Rittner, CDFA's Executive Director.

The proposed change would allow for companies who produce both tangible and intangible property to access IDBs. The changing U.S. economy is providing new and exciting employment opportunities in the area of software development and biotechnology. Traditional tax-exempt bond finance programs operated by state and local finance agencies do not extend to these important and growing sectors of the manufacturing economy.

CDFA has a strong history of passing important development finance legislation. In 2006, CDFA was successful in getting the capital expenditure limit increased from \$10 million to \$20 million for IDBs allowing more companies to expand and create jobs. Thousands of new IDB issuances have since assisted small to medium sized U.S. manufacturing companies.

"By making these small legislative changes, CDFA and the United States Senate, are helping communities of all sizes to effectively address manufacturing decline by providing resources that address new economy industries and helps to directly spur job growth," said Bob Lind, Director of Finance for the City of Minneapolis Department of Community Planning & Economic Development and Chair of the CDFA Legislative Committee.

CDFA is asking its members for assistance in contacting their Senators to ask for support and additional co-sponsorship of this key development finance legislation. CDFA members are asked to urgently contact their Senate offices to request co-sponsorship of S. 2885. CDFA has prepared materials online that will assist in these efforts including a sample letter of support and resources for contacting Congress. This is an urgent request and we ask that you send copies of all correspondence to CDFA as well for follow-up by our team of lobbyist.

*CDFA is a national association dedicated to the advancement of development finance concerns and interests. CDFA is comprised of the nation's leading and most knowledgeable members of the*

*development finance community representing over 260 public, private and non-profit development organizations.*

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