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Help CDFA Preserve IDBs!

Bond issuance is at a decade low this year, but that does not mean that bonds are taking a backseat at CDFA. As you can see in this edition of *Perspectives*, tax-exempt bond policy is squarely in our

sights this year. The Original Research Focus is supporting advocacy efforts by developing a special report featuring industrial development bond case studies from every state.

This special report will hammer home the connection between industrial development bonds (IDBs) and job creation. IDBs, which fall under the Qualified Small Issues category of tax-exempt bonds and are also called industrial revenue bonds (IRBs), are the primary source of financing for small- to medium-sized manufacturers. As a program that targets both small business and manufacturers, it is easy to see why IDBs are one of the best development finance tools for job creation.

In order for this report—which will be a key facet of CDFA’s advocacy for tax-exempt bonds—to happen, we need you to share your IDB case studies. Fortunately, the Original Research Focus has created an easy, 11-item online project submission form (see the “Calls for Participation” sidebar) that you can use to share your case study.

When you share your project, do not forget the jobs! It is one thing to say that IDBs have leveraged investment for manufacturers; it is quite another thing to say that IDBs have created or retained jobs for people. That is the number that will drive the importance of this financing tool home for the public, Congress, the Obama Administration, or whoever else needs convincing.

Research Numbers

3 Number of expected programs per state to appear on State Small Business Credit Initiative Applications

59 Percent of respondents saying they supported cities or counties issuing bonds outside of their geographic jurisdiction.

23 Percent of respondents naming public good as a potential benefit of an extra-territorial bond issuer

16 Number of states (through May) with updated statutes in the CDFA TIF State-by-State Resource Center.

210 Approximate number of records added to the CDFA Online Resource Database since the last issue of *Perspectives*.

Calls for Participation

Industrial Development Bond (IDB)

Case Study Collection

CDFA is collecting IDB case studies (also called IRBs) from around the country. These projects will be used to create a state-by-state report that will help CDFA advocate for the continued existence of this important financing tool. Anyone with the details of an IDB project can participate at: bit.ly/IDBprojects

Tax Credits Case Study Collection

CDFA is collecting case studies of projects involving at least one federal tax credit program. These projects will help CDFA demonstrate the role these programs play in catalyzing economic development. Anyone with the details of a tax credit project can participate at: bit.ly/TCprojects

State-by-State TIF Statutes

Report changes to your state’s TIF statute so that CDFA can keep the TIF State-by-State Resource Center current. This key resource is an important facet of CDFA’s efforts to educate on best practices for this financing tool. Anyone who is familiar with any state’s TIF statute is encouraged to participate. The online form is available at: bit.ly/TIFlaws

Access to Capital Programs

CDFA is launching a research effort through the new Access to Capital Coalition (see pages 12-13). This project will establish an index of capital programs in each state. Contact CDFA to find out more about the project and how you can help.

To participate in any CDFA project, contact Jason or visit the Original Research Focus page at www.cdfa.net.

Tax Increment Finance Statutes

Tax Increment Finance (TIF), perhaps more than any other financing tool, is driven by state and local policy and politics. Given the political awakening that has occurred throughout the country in the last few years, it should come as little surprise that many states have changed their TIF statutes over this same period.

The changes, which are reflected in the CDFA TIF State-by-State Resource Center, have affected a wide array of facets of TIF policy components (e.g., eligible costs, authorizing entities, required findings). The good news is that, on the whole, states seem to be increasingly in line with CDFA's recommended practices for this financing tool. One example is that building community support is reflected by the considerable number of states requiring city council support and public hearings before a district can be created.

Another example is that many states now report that a "but for" test must be passed as part of the district creation process.

To find out more about TIF state statutes or best practices, visit the CDFA TIF State-by-State Resource Center. To supply information about the TIF statute in your state, see the "Calls for Participation" sidebar in this article.

CDFA Research News

The National Volume Cap Resource Center is one of the most popular features produced by CDFA. Each year,

CDFA updates this center with the latest information on state allocations, issuance, and carryforward. The 2010 versions of the CDFA National Volume Cap Resource Center and Report will be released in July. Check the CDFA homepage for the latest information about this bedrock financing tool.



CDFA takes great pride in providing excellent content across the breadth of economic development finance tools, but we realize many of you are interested in targeted areas of our industry. For those of you, CDFA is rolling out tool-specific resources. The Bond Finance Resource Center and Weekly Bond Finance Report will launch this summer. Similar resources for TIF, Access to Capital, and Tax Credits will come later this year. Contact CDFA or read *Development Finance Review Weekly* every Thursday for information on these new services.

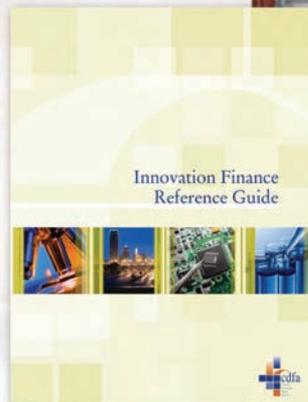
Did you know?
You can send news and resources about your interesting projects or programs directly to CDFA.

The *Innovation Finance Reference Guide* explores the growing seed, venture capital, and angel investment industry, and gives development finance agencies a roadmap for building an innovation finance initiative that supports entrepreneurship, business investment, job creation, and 21st century technology development.

Topics Covered Include:

- Chapter 1: Building the Entrepreneurial Ecosystem
- Chapter 2: Tapping the Full Capital Continuum
- Chapter 3: Accessing Local, Private Seed Capital
- Chapter 4: Analyzing a Deal - Conducting Due Diligence
- Chapter 5: Knowing Your Investment Appetite
- Chapter 6: Valuing a Company, Pricing the Deal
- Chapter 7: Structuring the Deal - Legal Terms for a Venture Investment
- Chapter 8: Creating Value - Managing an Investment for Best Results
- Chapter 9: Implementing Angel Groups and Angel Funds
- Chapter 10: Tapping the Sources of State Sponsored Venture Capital
- Case Studies & Appendices

Order Online at www.cdfa.net



New to the CDFA Bookstore

Also Available from CDFA

- Practitioner's Guide to Economic Development Finance
- Development Bond Finance Reference Guide
- Advanced Bond Finance Reference Guide
- Tax Increment Finance Best Practices Reference Guide
- Advanced Tax Increment Finance Reference Guide
- Revolving Loan Fund Reference Guide
- Federal Financing Reference Guide
- Tax Credit Finance Reference Guide (available August 2011)

