

**DECLARATION OF POLICIES AND PROCEDURES OF THE
INDUSTRIAL DEVELOPMENT AUTHORITY OF
BOONE COUNTY, MISSOURI**

I. PURPOSE

1. This Declaration of Policies and Procedures is adopted in order to advise potential applicants of the posture of the Authority and the responsibilities of applicants in the application review process.

**II. CRITERIA FOR REVIEW OF APPLICATIONS
BY THE AUTHORITY**

The criteria for judging the feasibility of each application for industrial revenue bonds are divided into five classifications.

1. **The Economic Growth or Impact From the Project:** The primary aim of industrial revenue bond financing is to promote, stimulate and develop the general economic welfare of the region. The project should create significant long term employment opportunities, preferably diversifying the industrial base.

2. **The Financial Responsibility of an Applicant:** The applicant shall be required to show substantial financial responsibility. Items required for an evaluation of the applicant are: (a) the number of years the applicant has been in business, (b) the amount of proposed equity the applicant will have in the project, (c) recent financial statements of the applicant, (d) the marketability of the bonds, and (e) any other information which might insure the financial success of the applicant.

3. **The Type of Applicant to be Considered:** The nature of the applicant's business shall be such that its establishment or expansion will give measurable growth or diversification to the local economic base. The issuance of industrial revenue bonds shall be encouraged for companies engaged in manufacturing, processing, assembly, fabricating, wholesale trade, distribution, warehousing; for office building; and for facilities for the prevention, reduction or control of pollution. Factors which may be considered as having an adverse effect on the applicant are when the effect would be to grant competitive advantage to one firm over other firms within the local market structure, when the project is retail in nature, when the project is residential in nature, when the project would cause adverse environmental impact, and when the project would cause any disruption of community economic patterns.

4. **The Nature of Improvements:** Industrial revenue bonds shall generally be used to finance the purchase of land, land improvements, buildings, machinery and equipment which have an asset life span equal or greater than the term of the lease.

5. **The Condition of Financial Market, Including the Availability of Private Financing:** The availability of inexpensive financing, the existence of extremely tight markets, and the feasibility of conventional financing are factors that may be considered by the Authority.

III. APPLICATIONS

1. All inquiries concerning applications and the procedure for the submission of applications shall be directed to the attorney for the Authority, Thomas M. Schneider, 11 North Seventh Street, Columbia, Missouri 65201.
2. Application blanks, as approved by the Authority, are available at the office of the attorney for the Authority, Thomas M. Schneider, 11 North Seventh Street, Columbia, Missouri 65201.
3. Completed applications, and sixteen (16) copies thereof, are to be filed with the attorney for the Authority, Thomas M. Schneider, 11 North Seventh Street, Columbia, Missouri 65201, accompanied by a non-refundable \$1,000.00 filing fee made payable to The Industrial Development Authority of Boone County. All applications are to be typed.
4. The application, and any other matter to be considered by the Authority, must be submitted no later than fourteen (14) calendar days prior to the meeting at which the action on the application is desired.
5. No application shall be considered and reviewed by the Authority until the application has been properly completed.
6. Regular meetings of the Authority are held on the second Monday of each month. See Section V, Meetings.

IV. REVIEW OF APPLICATIONS BY THE AUTHORITY

1. Consideration and review of each application by the Authority shall customarily be a three part process. The first shall be at a meeting where the Authority considers whether or not to pass a resolution of intent concerning the application. The second meeting shall be an advertised public hearing in which detailed information pertaining to the application shall be presented to the Authority by the applicant, and the application shall be evaluated in detail. The third meeting shall be for the purpose of reviewing the bond issue documents, and if the application and the proposed documents are found to be acceptable, the resolution authorizing the bond issue may be passed. It shall be the responsibility of the applicant to provide the attorney for the Authority with written resolutions or other bond issue documents prior to the meeting at which the applicant seeks passage of any resolution, or approval of any documents, by the Authority.
2. The first resolution considered by the Authority pertaining to an application shall be a non-binding resolution wherein the Authority manifests its present intention to proceed with the project. At this hearing the applicant is expected to present evidence and information relating to each of the criteria set forth in paragraph II, Criteria for Review of Applications by the Authority.

3. If the foregoing resolution is approved, the applicant must then receive a favorable vote of the City Council of any municipality in which the proposed project is located, by resolution.

4. The second stage of the application consists of an advertised public hearing, at which time the burden is upon the applicant to describe the proposed project in detail, including the progress made on said project between the time of the passage of the first resolution until the time of the advertised public hearing. The applicant is expected to present detailed descriptions and projections as to all parts of the proposed project, and the Authority will inquire fully about the proposed project. As before, the applicant must present evidence and information relating to all of the criteria set forth in paragraph II, Criteria for Review of Applications by the Authority.

5. The final stage of the application process consists of a meeting conducted in order for the Authority to specifically approve or disapprove of the proposed legal documents, and to specifically approve or disapprove the issuance of the proposed bonds. This resolution will not be considered until all legal documents pertaining to the proposed bond issue shall have been reviewed and approved by the attorney for the Authority.

6. The Authority may in its discretion merge the advertised public hearing described in paragraph 4 above with the meeting to approve or disapprove of the legal documents and the proposed bonds described in paragraph 5 above.

7. The Authority may in its discretion merge all hearings described in the preceding paragraphs into one (1) hearing in the case of applications involving bond issues to redeem, refinance, or refund existing projects, where the projects would otherwise be unchanged. (Amended January 14, 1982).

V. MEETINGS

1. All meetings are called according to the requirements of Chapter 349 RSMo., and the Charter and By-Laws of the Authority.

2. Agendas shall be prepared for every meeting by the attorney for the Authority. Agendas shall be mailed to all members of the Authority at least five (5) days before every meeting, regular, special or annual, and shall be available to members of the public.

VI. RECORDS

The County Clerk of Boone County, Missouri is designated as the official custodian of the records of the Authority. However, copies of all records kept at the office of the County Clerk shall be maintained at the office of the attorney for the Authority, Thomas M. Schneider, 11 North Seventh Street, Columbia, Missouri 65201. Copies of all official records of the Authority shall be available, for a reasonable copying charge, from the attorney for the Authority. It shall be the duty of the attorney for the Authority to insure that all documents filed with the attorney for the Authority shall ultimately be filed with the County Clerk of Boone County, Missouri.

VII. GENERAL

1. The legal documents of all proposed bond issues must be reviewed and approved by the attorney for the Authority prior to passage of a resolution authorizing the issuance of the bonds and execution of the legal documents pertaining thereto.

2. As a general rule, the legal documents pertaining to each issue must contain the following:

a) A provision limiting the right of the applicant to assign or sublet the real estate comprising the project to specific terms acceptable to the Authority.

b) Language limiting the use of the subject property to prescribed uses.

c) Language providing that the Authority shall in no event be liable in the event of default in the payment of any bonds, and that the officers, directors, agents, servants and employees of the Authority shall not be personally liable in the event of any default in the payment of any bonds.

d) A reasonable and specific description, in detail, of the proposed project financed by the bonds.

e) An indemnity and hold harmless clause acceptable to the Authority specifically pertaining to claims brought by the State of Missouri or individual workmen arising out of alleged violations of the prevailing wage law of the State of Missouri.

f) If the legal documents pertaining to the bond issue utilize an indenture of trust, wherein the trustee is responsible for paying the construction costs of the project, the trustee shall be required to make yearly reports to the Authority.

g) If the industrial revenue bonds are to be placed privately, then a limitation in the bond documents on the transferability of the bonds to the public may be required.

h) The Authority reserves the right to review and approve all official statements pertaining to Authority bond issues prior to passing a resolution approving the issuance of the bonds. However, in the alternative, an applicant is not required to have its official statement approved by the Authority in advance if it agrees in writing that its official statement of the Authority bond issue will contain the following language:

THESE SECURITIES HAVE NOT BEEN APPROVED OR
DISAPPROVED BY THE SECURITIES AND EXCHANGE
COMMISSION NOR HAS THE COMMISSION PASSED UPON THE
ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY
REPRESENTATION TO THE CONTRARY IS A CRIMINAL
OFFENSE.

THESE SECURITIES ARE SECURED ONLY BY THE SUCCESS OF THE PROJECT DESCRIBED HEREIN, AND MAY BE SPECULATIVE. THEY INVOLVE A DEGREE OF RISK, AND SHOULD NOT BE PURCHASED BY ANYONE WHO CANNOT AFFORD A LOSS OF ALL OR PART OF HIS INVESTMENT.

THESE SECURITIES ARE NONRATED.

THESE SECURITIES ARE SECURED AS NOTED HEREIN SOLELY BY THE REVENUES FROM THE DESCRIBED PROPERTIES, AND ARE IN NO WAY TO BE REPRESENTED AS REVENUE OBLIGATIONS OF BOONE COUNTY, MISSOURI. THESE SECURITIES FURTHER PROVIDE THAT THE INDUSTRIAL DEVELOPMENT AUTHORITY OF BOONE COUNTY, MISSOURI, AND ITS OFFICERS, DIRECTORS, AGENTS, SERVANTS, AND EMPLOYEES, EITHER IN THEIR INDIVIDUAL OR CORPORATE CAPACITY, SHALL IN NO EVENT BE LIABLE IN THE EVENT OF DEFAULT IN THE PAYMENT OF THESE SECURITIES.

THE INDUSTRIAL DEVELOPMENT AUTHORITY OF BOONE COUNTY, MISSOURI HAS NOT APPROVED OR DISAPPROVED THE ACCURACY OF THIS PROSPECTUS.

The above language may be modified prior to a vote on a bond issue by the Authority in appropriate situations upon request of the applicant.

3. The following schedule of applicant fees and expenses shall be paid by the applicant as set out herein:

a) Applicant Fees: The applicant shall pay a \$1,000.00 non-refundable application fee payable at the time the application is filed with the Authority.

b) Issuance Fee: Unless waived in whole or in part by the Authority, the Applicant shall pay a one (1) time issuance fee in the amount of \$5,000.00 or one percent (1%) of the principal amount of the bond issue, whichever is smaller, which shall be payable at closing. Notwithstanding the foregoing, however, the Applicant shall not be required to pay an issuance fee in the case of applications involving bond issues to redeem, refinance, or refund existing projects, where the projects would otherwise be unchanged. (Amended January 14, 1982).

c) Professional Expenses: The applicant shall pay the Authority's out-of-pocket expenses for financial and legal services on the project. These expenses are payable whether bonds are issued or not, and are payable at such times as the Authority is billed for such services.