



SOLID WASTE DISPOSAL REVENUE BOND PROGRAM

Description

The IFA issues tax-exempt Solid Waste Disposal Revenue Bonds on behalf of privately owned solid waste disposal companies that provide services to the general public. Bond proceeds can be used to finance the acquisition of fixed assets such as land, buildings, and equipment as well as building construction or renovation.

Benefits

Benefits of Solid Waste Disposal Revenue Bond financing include:

- Long-term financing at interest rates lower than conventional financing - generally 2.0% - 3.5% below prime
 - Fixed or variable rate financing
 - Finance up to 100% of project cost (subject to credit approval by borrower's bank or bond purchaser).
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Type of Financing

Because of significant up-front issuance costs, bond issues of less than \$1.5 million generally are not cost effective. Smaller fixed-asset projects may be eligible for financing through other IFA loan programs. For most companies, bank participation is necessary before bonds can be sold to investors. The participating bank will make the credit decision, structure terms, and set collateral requirements.

Eligibility

Qualified solid waste disposal projects include facilities which collect, store, treat, transport, utilize, or provide for final disposal of solid waste. Additionally, projects which reconstitute, convert, or recycle solid waste can also qualify under certain circumstances. Final determination of project eligibility is subject to a legal opinion from a recognized municipal bond attorney.

Application and Fee

A non-refundable application fee is due when the application is submitted. A closing fee based on the par amount of the bonds is paid to the Authority at closing. The fee varies by the size of the bond and other factors including use of volume cap. The borrower pays for IFA outside legal counsel. IFA does not charge annual fees. Applications are reviewed by IFA staff and considered by the Board of Directors typically within 30 to 45 days of submission.

Application and Fee (Continued)

For a fee schedule, contact your local IFA office. The Solid Waste Disposal Revenue Bond program uses IFA's Industrial Revenue Bond application and Economic Disclosure Statement available below.

Contact

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