



## Industrial Revenue Bond

### *Benefits:*

- Designed to provide tax-exempt financing to finance land and depreciable property for eligible industrial or manufacturing projects.
- More widely utilized in times of higher interest rates.

### *Eligibility Criteria:*

- Must support jobs available at a company for which a majority of the products or services are ultimately exported to regional, statewide, national, or international markets.
- Jobs must be in NAICS codes listed in Texas Development Corporation Act of 1979.
- Project costs for tax exempt bond issuances not to exceed Ten Million Dollars

### *Procedure:*

- The Industrial Development Corporation (IDC) issuing the bonds for a project must pass a declaration of official intent resolution if the bonds are tax-exempt.
- The IDC must pass a bond resolution, whether the bonds are taxable or tax-exempt. This resolution will approve the project, set the bond amount, and make findings required by state law.
- Next, the City must pass a resolution that approves the corporation's resolution and the project.
- All terms of the bond sale are negotiated among the appropriate parties and prepared by legal counsel. The IDC submits an application to the Governors Office Division of Economic Development.
- Once all approvals have been granted, the IDC can issue the bonds and finance the project from the proceeds.
- Generally, all debt services on the bonds are paid by the business under the terms of a lease, sale, or loan agreement.

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*Rev: March 2006 TX-IRB*