INDUSTRIAL REVENUE BONDS

Rules, Procedures and Application

Hanover County
Economic Development Authority

8200 Center Path Lane, Suite E
Mechanicsville, VA 23116-2525
804-365-6464
econdev@hanovervirginia.com

Article 1: Purpose and Scope

These rules shall govern the submission of Applications to the Economic Development Authority of Hanover County, Virginia (HCEDA); all applicants requesting issuance of Industrial Revenue Bonds (IRBs) for their benefit are subject to, and shall comply with, the procedures, terms, and conditions contained within this document.

Article 2: General

Section 1 – Copies to be Provided Applicants: A copy of these rules and procedures shall be furnished by the HCEDA's Secretary and/or Counsel, to each prospective applicant. Rules and procedures will also be readily available on the Hanover County Economic Development website at www.hanovervirginia.com.

Section 2 – Compliance with Rules and Procedures: Each applicant shall comply with these rules and procedures in the submission of their application or any financing documents to HCEDA and/or HCEDA Counsel.

Section 3 – Amendments: Rules and procedures related to issuance of IRBs may be amended by the HCEDA at any properly noticed meeting of the HCEDA.

Section 4 – Denial: HCEDA reserves the right to deny assistance to any applicant even though such applicant and its project may be eligible and qualify under the Virginia Industrial Development and Revenue Bond Act.

Article 3: Application Procedures, Fees and Requirements

Section 1 – Applications: Each applicant shall submit a full and accurately completed application to the HCEDA Secretary and/or Counsel at least fourteen (14) days prior to the HCEDA meeting at which the application is to be considered. A proposed inducement resolution and notice of public hearing, if required by law, drafted by bond counsel will also be required as part of the application process.

The HCEDA Secretary and/or Counsel will distribute the application packet to the HCEDA through electronic submittal, or hardcopy if requested. Each application shall include all requested exhibits.

In the event all, or a portion of, the requested documentation is not available or not to be made part of the public record (and a valid FOIA exemption is available), a statement of explanation will be attached to the application. Assistance will be made available to

each applicant from the Secretary of the HCEDA and/or Legal Counsel respecting completion of the application.

Prior to the meeting of HCEDA for which the bond application will be reviewed, it may be requested that the applicant meet with the HCEDA Chair, Treasurer, and/or Secretary to discuss the project parameters, investment, timelines, and any other information necessary for the HCEDA to consider the application request.

Section 2 – Fees and Expenses: Fees will be charged for the processing of all IRBs issued through the HCEDA and will be determined, in part, by whether the applicant decides to pay either an annual or a one-time administrative fee. These fees shall include:

A. **Application Fee** – a non-refundable Application Fee shall be paid to the HCEDA upon submission of the application packet. This fee shall be **seven hundred fifty dollars** (**$750.00)** for a first-time IRB application, and shall be **five hundred dollars** (**$500.00)** for refinancing of bonds previously issued by HCEDA.

B. **Administration Fee** – Applicants may choose to pay either an annual administrative fee or a one-time administrative fee:

    a. **Annual Administration Fee:** The Annual Administrative Fee is **one tenth of one percent (0.1%)** of the outstanding principal amount of the bonds, paid annually on the anniversary of the date on which the bonds were issued, until bond debt has been fully retired.

        i. Fee collection will commence with the first anniversary of the issuance of the bonds.
        ii. The Annual Administrative Fee will be billed on the original principal (or full-face) amount of the bond until all construction disbursements are made and scheduled principal payments have commenced.
        iii. Borrower shall agree to pay the Annual Administrative Fee for a minimum of three years; should the borrower retire bond debt prior to the end of this three-year period, the borrower shall pay the EDA a fee in the amount of the sum of the original principal (or full-face) amount of the bond multiplied by three years, minus any Annual Administrative Fee already paid.

    b. **One-Time Administration Fee:** The One-Time Administration Fee is **five tenths of one percent (0.5%)** of the original principal amount of the bonds issued, payable at closing.

c. **Multi-Jurisdictional Issuance of Bonds:** This section addresses HCEDA approval of bonds issued in another jurisdiction where part of the financing covers investment in a project within the jurisdictional boundaries of Hanover County.

i. On any multi-jurisdictional issue of bonds in which the largest portion of the bonds issued relates to investment in Hanover County, HCEDA will insist on being the conduit issuer. In this case if the Applicant wishes to issue bonds in another jurisdiction, they must submit a letter to HCEDA detailing the reason why bonds are not issued through HCEDA.

ii. HCEDA will condition requesting Hanover County host approval on the borrower agreeing to collect and remit to HCEDA either:

1. The value of the annual administrative fee for the percentage of value of the projects to be funded within Hanover County from the issuance of the bonds for the duration which bonds are outstanding.
2. An upfront, one-time administrative fee negotiated between HCEDA and all jurisdictions who are a party to the issuance.

iii. In the instance HCEDA serves as the conduit issuer for a multi-jurisdictional issue of bonds, HCEDA will voluntarily remit a pro rata share of any fee received to each jurisdiction granting host approval which has also adopted an administrative fee sharing policy in form and substance substantially similar to this policy. This pro rata share will be in the amount of **seventy-five percent (75%)** of the fee HCEDA charges and receives pursuant to this policy for such portion of the bonds attributable to the facilities in its jurisdiction, and HCEDA will retain the balance of the fee.

iv. The applicant shall submit to HCEDA and any related issuer for host approval, no later than when the public hearings are held, the proposed allocation of the face amount of the bonds to the respective jurisdictions and the calculation of the respective administrative fees. Should there be a change in the allocation of fees after the public hearings, the applicant shall notify HCEDA and each related issuer of the changed allocation of the issue among the jurisdictions, the revised fees, and the reasons for the change.

C. **Bond Counsel Fees –** Applicant agrees to pay all fees associated with the Bond Counsel, which will be coordinated directly with HCEDA Counsel, including fees such as:

a. Authorization, issuance and sale of bonds.
b. HCEDA Counsel fees, accounting, and any other administrative fees as necessary.
c. Advertising of public hearings.
d. Any other fees as required to process and issue bonds.

D. **Other Fees –** Applicant agrees to pay any other unforeseen fees related to the issuance of bonds as requested by HCEDA. These fees could cover engineering, appraisers, financial review/audit, consultant services, etc.

E. **Fee Schedule Changes –** If HCEDA issues bonds for the benefit of the applicant, the applicant agrees to pay HCEDA all fees and expenses in accordance with the fee schedule referenced within this document. HCEDA reserves the right to adjust these administrative fees in the event it is advised by counsel that an adjustment is necessary to comply with changes in Federal or State law.

Section 3 – Public Hearings: The Applicant will work closely with Bond Counsel and HCEDA Counsel to ensure that all public hearings related to the bond issuance are properly advertised within approved channels and comply with timelines as required by Federal and State law. These hearings include those conducted at regularly scheduled HCEDA and Board of Supervisors (BOS) meetings, as well as with any special meetings should they be necessary.

Article 4: Provisions Incorporated into Resolutions and Financing Documents

Section 1 – Inducement Resolutions: HCEDA will coordinate with the Department of Economic Development on the Inducement Resolution process, which must have final approval by the Hanover County BOS.

Section 2 – Indemnification of HCEDA: Applicants shall agree to indemnify and save harmless HCEDA and its officers, directors, employees and agents from and against all liabilities, obligations, claims, damages, penalties, fines, losses, costs and expenses.

Section 3 – Enforcement: HCEDA may refuse to consider or adopt any inducement resolutions, financing documents or any other matters presented for its consideration if the applicant has failed to comply with the requirements of these rules.

Section 4 – Payoff: Upon payoff of all outstanding bonds issued, applicant shall send written notification of payoff to HCEDA.

Rules, Policies, and Application contained within this document approved by majority vote of the Hanover County Economic Development Authority as of **October 14, 2026** and have been reviewed and found to be compliant with all Federal and Commonwealth of Virginia rules and regulations.

For more information contact:

Economic Development Authority of Hanover County
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REMINDER: Save the completed document to your device before printing.

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HANOVER COUNTY
VIRGINIA • USA
ECONOMIC DEVELOPMENT AUTHORITY

Attachment 1: Application for Industrial Revenue Bond Authorization

Applicant Information:

Name

Address (Street number/Street/P.O. Box

City

State

Zip Code

Email

Phone

Date Formed (m/d/yy)

State of Incorporation

Years in Virginia and/or Hanover

Contact Representative:

First name

Last name

Relationship to Project

Email (if different from above)

Phone (if different from above)

Billing Contact for Bond Administrative Fees (future):

First name

Last name

Email

Phone

Parent Company Information

Is applicant or user a subsidiary of any company?

◯ Yes ◯ No

If yes, please provide company name and address:

Name

Address (Street number/Street/P.O. Box

City

State

Zip Code

Legal, Bond Counsel, Engineer and Contractor Information

Applicant's Attorney

Address (Street number/Street/P.O. Box

City

State

Zip Code

Email

Phone

Name of Preferred Bond Counsel

Address (Street number/Street/P.O. Box

City

State

Zip Code

Email

Phone

Name of Engineer (if retained)

Address (Street number/Street/P.O. Box

City

State

Zip Code

Email

Phone

Name of Contractor (if retained)

Address (Street number/Street/P.O. Box

City | State | Zip Code

Email | Phone

Project Information

Proposed Project Address (Street number/Street/P.O. Box | City | Zip Code

Parcel GPIN Number: | Magisterial District

Is applicant the owner of the land?

◯ Yes ◯ No

If no, please describe ownership situation:

Proposed Project Site Zoning: | Is rezoning required?

◯ Yes ◯ No

How would you best describe this project (you may check more than one):

☐ New Facility
☐ Expansion of Existing Facility
☐ Renovation of Existing Facility
☐ Relocation of Facility from another jurisdiction

Type of Industry:

Description of Facility/Use (such as square footage including rough breakdown of square footage use, beds, manufacturing lines, what is produced, building height/stories, etc.) and/or Equipment to be Acquired for which Bond Revenue will be Used:

Bond Authorization Requested

Type in dollar values with no dollar sign, comma or cents. Press "ENTER" after each entry.

Amount of Bond Authorization Requested:

Land:

Construction:

Architect/Engineer:

Machinery/Equipment:

Legal:

Other:

Other:

Other:

Other:

Explain how financial assistance supported by Hanover County Economic Development Authority will enable this project to locate, expand and/or remain in Hanover County:

Jurisdiction Information

Is this application a multi-jurisdictional application?

◯ Yes ◯ No

If yes, how many jurisdictions are involved? Please list all jurisdictions.

Will Hanover County be the issuer of the bonds?

◯ Yes ◯ No

If No, in which locality will bonds be issued?

If No, have other localities been notified of Hanover County's fee sharing?

◯ Yes ◯ No

If No, why was Hanover EDA not considered to be the conduit of the bonds?

Do any of the jurisdictions require Bond Fee Revenue Sharing?

◯ Yes ◯ No

*If Yes, provide a spreadsheet listing all Jurisdictions and details on each.

Locality's Fee Sharing Structure and Anticipated Fees:

Additional Information

Has applicant ever defaulted on a loan?

◯ Yes ◯ No

Has applicant ever declared bankruptcy?

◯ Yes ◯ No

If Yes to either proceeding questions, please explain in detail:

Signature

Date

Printed Name

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Attachment 2: Estimated Fiscal Impact Statement

NOTE: Enter all dollar amounts with no dollar sign, comma or cents.

Maximum amount of financing sought:

Anticipated taxable value of the facility's real property to be constructed in Hanover County:

Estimated Tax Generation Per Year

Real Estate:

Business Personal Property:

Machinery & Tools:

Merchant's Capital:

Transient Occupancy:

Employment & Wages

Total Employees anticipated at new facility:

Number of full-time employees:

Number of part-time employees:

Number of seasonal employees:

Average annual salary of all employees:

Estimated tax generation based on tax rates as of the date of application. For Business Personal Property, utilize the tax rate for Year One in Service (60% of original cost). Please reach out to the Hanover County Department of Economic Development should you need guidance and assistance related to these calculations.

Information requested here is an estimate only for Hanover County to understand the economic impact of this project and is for informational, analysis, and educational purposes only.

Signature of Applicant

Date Signed

Printed Name

Print