



# Industrial Revenue Bonds for Sales Tax Exemption

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# Purpose of IRBs

**Purpose**: in most cases, a vehicle for granting incentives for eligible projects

**Incentives**:

- Property tax abatement (up to 10 years)
- Sales tax exemption on construction materials / FF&E

**Discretionary**: no involvement by other jurisdictions

# IRB Structure (Sales Tax Exemption Only)

## Structure:

- Company is purchaser of IRBs
- Company advanced all costs of project; IRBs “reimburse”
- Base lease-leaseback with City

## Source of Repayment:

- Lease payments made by Company
- City not liable for IRB repayment; no credit impact

# IRB Process (Sales Tax Exemption Only)

**Resolution of Intent**: access ST-exemption certificate

**Construction**

**\*Ordinance\***: authorizes issuance of IRBs and entering into IRB documents

**Closing**: Company pays costs of issuance

**Termination**: at completion of construction