

**STATE OF ALABAMA
STATE INDUSTRIAL DEVELOPMENT AUTHORITY
100 N UNION STREET, SUITE 224
MONTGOMERY, ALABAMA 36130
PHONE (334) 353-1199**

Revised 2011

**Application Instructions
State of Alabama Industrial Development Grants**

Counties, municipalities, local industrial development boards or authorities, economic development councils or authorities, airport authorities, port authorities or public corporations or certain state agencies or departments (Grantees) may apply to the State Industrial Development Authority (SIDA) for industrial development grants. SIDA is authorized by Alabama Act No. 91-635, as amended by Alabama Act No. 97-645, Act 99-590, Act 99-591, Act 2006-417, Act 2007-300 and Act 2011-215 to issue grants for the preparation of **Project Sites**. Grant funds provided to a Grantee for use in the preparation of a **Project Site** may be utilized for (1) preparation of a means of access to the site; (2) provision for adequate drainage of the site to prevent the accumulation of excess natural waters thereon; (3) boundary and topographical surveying, clearing and grubbing, and excavating; (4) the reasonable rehabilitation of buildings and other structures; and, (5) other work relative to site preparation deemed necessary or appropriate.

In order to be eligible for an industrial development grant, the activity occupying the project site must be a **Qualifying Project**. Qualifying Project is defined as:

A project to be sponsored or undertaken by one or more investing companies (i) at which the predominant trade or business activity conducted will constitute industrial, warehousing or research activities, or (ii) which qualifies as a headquarters facility.

Industrial, Warehousing or Research Activity is defined as:

Any trade or business described in 1987 Standard Industrial Classification Major Groups 20 to 39, inclusive, 50 and 51, Industrial Group Number 737, and Industry Numbers 0724, 8731, 8733 and 8734, as set forth in the Standard Industrial Classification Manual published by the United States Office of Management and Budget, and includes such trades and businesses as may be hereafter reclassified in any subsequent publication of the Standard Industrial Classification Manual or other industry classification system developed in conjunction with the United States Department of Commerce, or any process or treatment facility which recycles, reclaims, or converts materials, which include solids, or gases, to a reusable product.

The amount of funds provided through the grant will be a percentage of the **Capital Costs** involved in the Qualifying Project. Expense items included within the definition of Capital Costs are specified in the Industrial Development Grant Application Form. For each item of expense claimed by the Grantee, documentation supporting the claim must be attached to the Grant Application.

<u>Capital Costs</u>	<u>Percent of Capital Cost or Limit (Grant Amount)</u>
less than \$200,000	5.0%
\$200,000 - \$499,999	3.5% (minimum \$10,000)
\$500,000 - \$999,999	2.5% (minimum \$20,000)
\$1,000,000 - \$1,999,999	1.5% (minimum \$28,000)
\$2,000,000 - \$9,999,999	1% (minimum \$32,000)
\$10,000,000 - -	.75% (minimum \$100,000; maximum \$150,000)

Act 99-351 (the Act) requires entities seeking an Industrial Development Grant or certain other incentives to notify the Director of the Alabama Development Office (the Director) of the general parameters of the Qualifying Project (Project). The Act requires the Director to transmit a letter acknowledging receipt of the notification (Notification Acknowledgement Letter). General parameters are defined as the following:

- Project name (the notification may be on an anonymous basis, i.e., “Project Alpha.”)
- Project location.
- Estimated capital investment.
- Number of jobs created by the project.
- Projected date of first operation.

Additionally, applications for Industrial Development Grants cannot be submitted to the SIDA until the construction of the Qualifying Project has been completed.

Supporting documentation required in addition to the application is as follows:

1. A copy of the Notification Acknowledgement Letter.
2. Legal description of the project site and address.
3. If the Grantee is a public corporation or authority, a certified copy of a Resolution directing the chairman or executive officer to apply.
4. A certification by a registered engineer, architect, or Grantee stating the actual Capital Costs and site preparation costs (List must be itemized).
5. If the Capital Costs of the Qualifying Project are to be financed by a bond issue or a commercial loan, verification of the issuance of the bond or the loan must be submitted.

If the Capital Costs are to be financed by the industry, the SIDA will accept:

- copies of paid invoices supporting the Capital Costs
- or -
- an affidavit, signed by the company president, stating that the Capital Costs claimed in the application are true and accurate, and that the company paid the Capital Costs from its own assets.

Completed Industrial Development Grant Application Form and all required supporting documentation should be submitted to:

Jonathan West
State Industrial Development Authority
c/o Dept of Finance - Debt Management
100 N Union Street, Suite 224
Montgomery, AL 36130-2601

Telephone: 334-353-1199
Fax: 334-353-3466
E-mail: jonathan.west@finance.alabama.gov