
SALT LAKE CITY COUNCIL STAFF MEMORANDUM

DATE: November 17, 2006

SUBJECT: **INDUSTRIAL DEVELOPMENT REVENUE BOND
LOCAL PAGES LEASING COMPANY, LLC**

AFFECTED COUNCIL DISTRICTS: District 1

STAFF REPORT BY: Gary Mumford

**ADMINISTRATIVE DEPT.
AND CONTACT PERSON:** Mayor's Office, Economic Development
Ed Butterfield

NOTICE REQUIREMENTS: Newspaper advertisement 14 days prior to the Public Hearing

CC: Sam Guevara, Alison McFarland, Ed Butterfield, Steve Fawcett, Dan Mulé

Local Pages Inc. is financing a new printing operation in an existing building in the International Center at 4910 W Amelia Earhart Drive. Local Pages is asking Salt Lake City to be the conduit issuer of industrial revenue bonds to finance the acquisition of the \$2 million in printing equipment. This type of debt will result in significant interest savings to Local Pages. The company distributes phone books to various communities in several states. Local Pages currently contracts out its printing but plans to commence its own printing and binding operation in Salt Lake City. A separate company has been established to lease the building and operate the printing and binding portion of the business. The subsidiary that will repay the debt is Local Pages Leasing Company, LLC. Local Pages Inc. is also guaranteeing the debt.

The credit worthiness of Local Pages is not an issue because GE Capital Public Finance, Inc. has offered to purchase the debt. The City has received a "sophisticated investor" letter from GE Capital Public Finance confirming that it understands the risks associated with this type of investment and under no circumstance will non-payment or a default constitute or impose upon the City any financial obligation or liability.

In addition to 89 employees who currently work for Local Pages in its Salt Lake City office, the printing operation will bring 12 new jobs to Salt Lake City in 2007 and up to 18 more within five years. Local Pages employees in Salt Lake City currently earn an average annual salary of \$29,000. Unrelated to the printing operation, Local Pages projects that with planned expansion of new books to be published in Utah and several other states, the company will add 240 more jobs in the Salt Lake City office by the end of 2010.

The Local Pages, Inc. was established in 1997 in Kearns. The company first produced phone books for smaller community areas, but has expanded into larger communities. According to information provided to the City, the print in the phone books produced by Local Pages is twice as large as other phone books. Some features included are menus for restaurants and color advertising. Local Pages uses boy and girl scouts units

to deliver the books, which helps scout groups financially. In the future, the company may produce a phone book for the Salt Lake City metropolitan area.

The IRS has set a “volume cap” for each state (\$150 million per year for Utah) for entities issuing industrial development revenue bonds or private activity bonds. (Providers of health care or educational services are not subject to the volume cap.) The Utah Legislature has established priorities for allocating the volume cap with most going to the Utah Housing Finance Agency for first-time single-family homeowners or to college student loan programs. Some of the volume cap is set aside for small manufacturing businesses. The Utah Private Activity Bond Authority authorized industrial revenue bonds for the Local Pages project subject to City Council approval and issuance.

Local Pages requests that the Council set the date for a Tax Equality and Fiscal Responsibility Act (TEFRA) hearing to be held on December 12, 2006. Following the hearing, Local Pages requests that the Council consider adopting one or more resolutions authorizing and approving the issuance of industrial development revenue bonds.



ROSS C. "ROCKY" ANDERSON
MAYOR

SALT LAKE CITY CORPORATION

OFFICE OF THE MAYOR

CITY COUNCIL TRANSMITTAL

TO: Sam Guevara, Chief of Staff *Sam* **DATE:** November 17, 2006
Rocky Fluhart, Chief Administrative Officer

FROM: Alison McFarlane, Senior Advisor for Economic Development *Alison McFarlane*

RE: Industrial Revenue Bond Application from Local Pages, LLC.

STAFF CONTACTS: Edward Butterfield, Small Business/Economic Development Manager

ACTION REQUIRED: That the City Council (1) hold a briefing on November 21st, (2) schedule a TEFRA Hearing to be held on December 12th, and (3) adopt an Inducement Resolution on December 12th.

DOCUMENT TYPE: Inducement Resolution

BUDGET IMPACT: None

DISCUSSION: Local Pages, LLC has applied for a \$2,041,000 industrial revenue bond for the purchase of printing equipment including a new printing press, pre-press, and binding equipment. Local Pages, LLC produces phone books and has operated in Utah for over six years. Its headquarters and manufacturing plant are located at 4910 W. Amelia Earhart Dr. in Salt Lake City. The Company currently employees 89 people at the Salt Lake City location and generates annual revenues of \$9 million (2005). Local Pages is also licensed to do business in Alaska, Arizona, California, Colorado, Georgia, Idaho, Ohio, Oregon, Montana, Nevada, New Mexico, Texas, Washington and Wyoming.

Local Pages LLC currently uses outside vendors for printing and binding of their phone books. The establishment of a printing facility, with the assistance of IRB funds, will result in cost savings of \$3 million in the first year. The cost savings will permit Local Pages, LLC to expand into new markets, specifically in the Southeast and possibly a Salt Lake City Metro phone book.

The Local Pages LLC will hire 12 employees this year to run and operate the printing equipment. As sales increase from the market expansion, the company will hire an additional 248 employees in Executive Management, Sales, Office/Clerical and other positions over the next five years. In ten years, the company is projected to have over 783 employees at their Salt Lake City location. Local Pages, LLC payroll will increase from \$2.5 million to an estimated \$12.7 million in 5

years. The current taxable sales will increase from \$2.2 million to an estimated \$7.4 million within the same time period.

Local Pages, LLC enhances their community impact in support of local charities by coordinating phone book delivery activities as a means of fundraising. As an example, the Boy and Girl Scouts Club in Tooele, Utah delivered 25,000 phone books for Local Pages, LLC and earned \$3,500. Additionally, the Local Pages, LLC offers at least a 50% discount on advertising space to non-profits in their phone books.

Local Pages LLC received its state allocation for IRB funding in July, 2006, and the City's Industrial Revenue Advisory Committee has reviewed its application and recommends a favorable action by the City Council. To move ahead with the bond issue, the City needs to: (1) have City Council adopt an *Inducement Resolution*; arrange for the publication of *Notice of Bonds to be Issued*; and schedule a TEFRA Hearing, (2) publish the *Notice of TEFRA Hearing* at least 14 days prior to the hearing, (3) publish the *Notice of Bonds to be Issued*, and (4) after the 14-day notice period for the TEFRA Hearing expires the City Council needs to hold the Hearing.

Local Pages, LLC has paid a \$1,000 non-refundable application fee and will submit an additional \$14,000 at closing to reimburse the City for expenses entailed in issuing the bonds including City personnel time, and related expenses incurred in the evaluation process.

Attachments:

- (1) IRB Application from Local Pages, LLC
- (2) Inducement Resolution

Salt Lake City Corporation
INDUSTRIAL REVENUE BOND APPLICATION

PART A: APPLICANT INFORMATION

1. Name of applicant:

Local Pages Leasing Company, LLC (“LPLC”)

2. Name of guarantor

Local Pages, Inc. (“Local Pages”)

3. Address of applicant:

The Local Pages, Inc. is the main corporation and is set up as an “S” Corp. We have an “L.L.C.” for each of the states we operate in. The address to which they are all registered is: 5150 West 4820 South, Kearns, Utah 84118 except for our most recently formed L.L.C.s (Georgia, New Mexico and Texas) whose address is 4910 W. Amelia Earhart Dr. Ste. 1, Salt Lake City, UT 84116.

3. Attachment A: Include a brief history of your company.

Kelly Clark established The Local Pages, Inc. in 1997 In Kearns, Utah in approximately a 6,000 sq ft building with one goal in mind- build a phone book that benefits the community not stockholders. He wanted to develop a book that actually represented the community not something cookie cutter that would save a buck.

The Local Pages produced their first phone book for the Elko Nevada area with only five employees. Identity and a multitude of struggles continued as this small group of individuals were told they couldn’t do it and that their efforts were futile. However, during the first year of operations approximately \$86,000 in sales was generated.

Sales increased to \$4,500,000 within 5 years. During this period of rapid growth, various in house departments were staffed and advanced computer support installed. These include fully staffed graphics, editing, telemarketing, collections and administrative departments.

The Local Pages’ drive and passion to bring something better to the market is what has spurred our growth in each market we enter.

4. Name and address of all other major business officers and investors supporting this application:

Name	Title	Email	Phone	Mailing Address
Kelly Clark	President	Kellyclark84020@hotmail.com	801.963.1702	
Joe Ostmeier	Executive Vice President	Joe63@thelocalpages.net	801.963.1702 Ext. 115	
Cindy Hall	Director of Sales	chall@thelocalpages.net	801.963.1702 Ext. 119	
Dawn Sansing	Director of Production	dsansing@thelocalpages.net	801.963.1702 Ext. 126	
Gail Reidling	Director of Delivery	greidling@thelocalpages.net	801.96.1702 Ext. 133	
Tom Keene	Director of Administration	tkeene@thelocalpages.net	801.963.1702 Ext. 116	
Joe Reidling	Vice President	jreidling@thelocalpages.net	801.963.1702 Ext. 224	

5. Name and address of bond counsel (bond counsel must be retained before application is considered complete for processing):

Eric Johnson
 Smith/Hartvigsen
 215 South State Street, Ste. 650
 Salt Lake City, UT 84111
 Phone: 801.413.1600 Fax: 801-413-1620
eric@smithlawonline.com

6. Name and address of proposed underwriter or purchaser of bonds:

David Jackman, Vice President – Business Development
 GE Capital Public Finance, Inc.
 8400 Normandale Lake Blvd., Ste. 470, Minneapolis, MN 55437
 Phone: (800) 689-0168 Mobile: (303) 888-5913
 Fax: (720) 488-9480

PART B: PROJECT INFORMATION

1. Name and description of the project (minimum of one page):

Name: Application for Debt Issuance to Salt Lake City Corporation, Utah from Local Pages Leasing Company, LLC. Project name: "Local Pages Relocation Project 2006"

Purpose and Description: Local Pages requests Salt Lake City Corporation (the "City") to act as a conduit issuer. Local Pages is financing a new printing operation in the International Business Park west of the Salt Lake airport. The printing operation will be housed in an existing building that will be equipped after purchase to print phone books. Local Pages is asking the City to be the conduit issuer for the acquisition of the printing equipment in the estimated amount of \$2,000,000. Local Pages believes it qualifies for tax-exempt financing as a small manufacturer. The project is the financing of printing equipment, including a new printing press, pre-press and binding equipment. Joe Reilding, V.P. of the Local pages will represent Local Pages. The proposed terms of debt issuance are \$2,030,000 (equipment cost plus up to \$30k in issuance expense) to be repaid over 8 years at a fix interest rate of approximately 5.61%. The credit worthiness of Local Pages has already been accepted by GE Capital Public Finance, Inc., which has offered to purchase the debt on the above terms. As a conduit issuer, this offering will create no financial obligation or liability on the City. This form of financing is allowed under Section 144(a) of the federal tax code.

The printing operation will bring 12 new jobs to Salt Lake City in 2007 and up to 18 more within five years for a total of 30 projected by 2010. This is in addition to the 89 employees who currently work for Local Pages in our Salt Lake City office. In addition to the printing operation and the current employee base, Local Pages projects that the planned expansion and new books to be published in Utah and several other states will add an estimated 240 more jobs in the Salt Lake City office by the end of 2010. The total projected number of employees by the end of 2010 in our Salt Lake City office and printing operation is 359. This is 270 more than today's 89 employees. These numbers do not include any outside sales representatives as none are based in the Salt Lake City offices. Currently, the outside sales employees constitute about 51% of the total number of employees of Local Pages.

Current Salt Lake City Office	89
Printing Operation 2010 Projection	30
Projected Growth in SLC Office by 2010	<u>240</u>
Total SLC Office and Printing 2010 (Projected)	359

Local Pages has grown rapidly in recent years and hopes to establish strong ties to local government that will facilitate continued growth in the City. As a conduit issuer, the City will need to adopt a resolution declaring its intention to act as conduit issuer, hold a public hearing known as a TEFRA hearing, and adopt a resolution authorizing the loan and entering into an agreement with Local Pages whereby Local Pages will commit to repay the loan.

The origin of the project started about a year ago when we could tell space would soon be an issue. Finding the right property to house a printing company has been an issue, till now. Currently, moving forward is what we would like to do, upon approval of financing. Researching every aspect of having proper ventilation, vendors of printing companies, pre-press etc. are some significant actions taken to get project to its current status. Because of current business relations with printing companies, we have kept this project confidential, minimizing the amount of public awareness as much as possible. Shareholders Joe Ostmeier, and Kelly Clark are individuals who have been significantly involved with every aspect of this project (including funding, promoting, developing etc.). Joe Ostmeier and Kelly Clark have decision-making authority or oversight responsibilities. They also have a financial interest in the Project greater than that of a member of the general public.

The date and place of our incorporation or formation are as follows:
The Local Pages Inc. - S.L.C., Utah, 1997; and
The Local Pages Leasing Company S.L.C., Utah 2005

We are licensed to do business in: Alaska, Arizona, California, Colorado, Georgia, Idaho, Ohio, Oregon, Montana, Nevada, New Mexico, Texas, Utah, Washington, and Wyoming. We also publish phone books and sell advertising in Canada for the Canadian firm, Directory Masters, Inc. The purpose for original incorporation was to produce phone books.

2. Address of project:

4910 West Amelia Earhart Drive
Salt Lake City, UT 84116

3. Type of Industry: Manufacturing of phone books.

4. Rationale for seeking public support for Industrial Revenue Bond approval:

The Local Pages seeks public support for this bond so that we might obtain the desired equipment at a significantly lower interest rate than what our bank has proposed. We believe the benefit to the City will be an increase in the number of good paying jobs with little risk to the community because of our financial position.

- This will allow for us to save \$3mm our first year in Printing costs.

- Traditional taxable financing at pre-tax equivalent rate of tax-exempt rate would cost a total of \$2,820,409 in loan payments over the 96 months versus only \$2,527,919 under the proposed tax-exempt loan, a savings of over \$290,000.

5. Will the project have a positive economic impact on the community?

We project that within 5 years of having our own printing and binding facility, the combined operations of Local Pages will reach \$67MM in total revenue per year (an increase of 586% from FYE 2006). The project will have a positive economic impact in that a good majority of resources including people, materials, equipment, and ongoing material needs are and will be purchased right here in Salt Lake City. Local Pages could reduce operating expenses by outsourcing jobs. However, we believe in supporting the local community as long as it's fiscally responsible. Moreover, we support businesses based in Salt Lake that will grow as we do. Therefore, approving this bond would do more than help just our business grow; it would be supporting other businesses that feed off of us.

In addition, there are clusters of lower income areas within 10 minutes of the International Business Center that should benefit from increased employment opportunities, especially from an employer like Local Pages that has hired a very diverse group of people. In particular, this project should impact the community over by Amelia Earhart Drive, which has experienced a dramatic economic downturn in the last 3 years. Local Pages will bring sustained and substantial growth to this area and to Salt Lake City by adding jobs that pay on average \$35,000 per year by 2010, and a product that is widely used by all economic levels. As previously discussed, we estimate that the combined office and printing operations, all in Salt Lake City, will create more than 270 new jobs in the next 5 years and more than \$67 MM dollars in total company revenue (2010 projection). This in turn will mean more tax dollars for the City. In the last 5 years running Local Pages has been named to the top 100 of "Utah's fastest growing companies". Our business model coupled with doing ALL our work in house, while not sending any overseas, we believe makes a compelling argument for the City to support this request. For more specific financial detail on our projections, please refer to the proforma financials that are enclosed with this application and made a part hereof. The proforma financials are for total company operations and not for only Salt Lake City operations.

6. What social and physical benefits will be realized by the City?

We pay our employees well for the job they do so they can enjoy a good standard of living. On average, our Salt Lake City employees currently earn \$29,000 dollars, contributing valuable tax dollars into Salt Lake City. This average is projected to grow to more than \$35,000 by 2010.

All non-profit organizations are offered at least a 50% discount off the lowest price our sales people are allowed to offer prospective clients for advertising in our books. A few even get an ad for free. Some non-profit agencies in Utah that have benefited from discounts or free ads include: Utah Public Radio (Logan); Hospice for Utah (Logan); A Act of Love (St. George); Open Heart Adoptions (St. George); LDS Family Services (many areas including St. George); Dixie State College of Utah (St. George); Vernal Area Chamber of Commerce (Vernal); and Duchesne County Chamber of Commerce (Vernal). Local Pages also supports local charities by coordinating delivery activity as a means of fund raising. As an example, we just completed working with Boy and Girl Scouts clubs in Tooele, Utah who delivered 25,000 books and are being paid \$3,500 for doing it. A job like this took them 3-4 weeks, doing it part-time, but earning a nice sum of money.

7. Does the project contribute to the development of underutilized property in the City?

Over the last five years the previous owner of the building was Michelex Inc., who is exiting the market. In the sense that Local Pages is bringing a performing business into a location where another business is exiting, we believe we are contributing to the development of an underutilized property in the City. Further, typically the City should note that when successful companies (like ours) will move in to an area, different companies also start to pop up like restaurants, specialty stores, core business, etc.

8. Does the project generate synergies for the development of surrounding properties?

In the same way that Local Pages contributes to the development of an underutilized property within the International Business Center, we also create synergy for the area. When a company like ours comes in to an area, it commonly results in other companies opening up shop nearby, thus generating additional commerce. The Local Pages feels the City should take an active interest in bringing in anchor tenants, like ours, to the International Center because this will invariably result in the other businesses making greater investments to enter or to stay as well. In addition, area businesses will benefit economically from the presence of our current 89 employees.

9. Does the project serve unmet needs of City residents?

Our product has many benefits to the residents and businesses of Salt Lake City because our books have many features that are not in other phone books. For example, we put menus for restaurants in our phone books. We also put cell phone numbers in our books, and our print is twice as large as any other book. In addition, we will be offering full-color advertising at a significantly discounted rate compared to the utility books. While we do not currently have a Salt Lake City book, Local Pages does have preliminary plans to market and publish a Salt Lake City or Salt Lake Metro phone book. A projected publishing date for a Salt Lake book has not yet been determined.

PART C: FINANCIAL INFORMATION

1. Attachment B: Include audited financials of the applicant for the last three years.

Local Pages By-Laws only require Reviewed Financial Statements and the financial institution that Local Pages is currently involved with also only requires Reviewed Financial Statements.

2. Attachment C: Include operating statements.

Please refer to attached Pro-forma financial statements for additional operating analysis.

3. Amount of proposed Industrial Revenue Bond:

\$2,030,000 pursuant to attached Sources and Uses statement

4. Is an application for the State allocation required? Yes

Allocation from the Utah Private Activity Bond Review Board has already been approved. Recently the Board approved an extension of our allocation to December 31, 2006.

5. Credit Enhancement. City regulations require that All *publicly* offered revenue bonds issued by the City on behalf of a Private Entity shall be credit enhanced by either a bond insurance policy issued by a 'AAA'-rated municipal bond insurer, or by a direct-pay letter-of-credit from a financial institution with at least a 'AA' rating. Evidence of the availability of such bond insurance or letter-of-credit shall be provided to the City with the initial application.

In the case where the proposed bonds are to be sold on a private placement basis to a sophisticated investor or group of sophisticated investors, the City's credit enhancement requirement will be waived once the City has received written confirmation from a sophisticated investor that it understands the risks associated with this type of investment and that under no circumstance will non-payment or a default on the bonds constitute or impose upon the City any financial obligation or liability.

Bond insurance: N/A Direct-pay-letter-of-credit: N/A

This bond will not be publicly offered. It is being sold as a direct-purchase, private placement to an accredited institutional investor; GE Capital Public Finance, Inc., who has provided Local Pages a financing commitment that does not require any of the aforementioned enhancements. Please see GE commitment attached.

Sophisticated Investor: GE Capital Public Finance, Inc. Commitment letter is attached.

6. Anticipated method and terms of bonding: Level amortization over 8 years

7. What impact will the proposed expansion have on your company?

The proposed expansion will have a number of positive impacts on our company as well. The major impacts include:

- Financial Savings- our company should benefit from an immediate savings of 20%. Currently, we spend \$3MM annually on printing and binding costs. We will be able to absorb that extra 20% and use it for expansion into new markets, specifically ones in the Southeast.
- Control- Right now we have an “open” time with the printers we contract out to. What that means is that when a printer wins a bid, we are at the mercy of their schedule to print our books which could be anywhere from a month to four months. In looking at the scheduling of our books we anticipate having a two week production schedule for any of our books.
- Quality- For the most part this is a non-issue. However, on occasion a production glitch may occur, and when it does, the cost of reproduction is huge. Sometimes parts of books might be missing or put in the wrong place. Correcting these problems can be expensive because our timelines are thrown off and complications arise. Our experience has show us where printing firms typically cut corners. With our quality control procedures in place, our new operations will help ensure a successful run every time.

8. Identify your sources and uses of funds:

Please see attached Sources and Uses statement

9. How will the bond be repaid?

Over 8 years from operating revenues.

10. Estimated annual tax revenue generated by project:

Total Payroll Value (Salt Lake City Only):

<u>Total Current Payroll</u>	<u>Estimated in 1 Yr.</u>	<u>Estimated in 5 Yrs.</u>
\$2,580,312	\$3,394,523	\$12,781,396

Property Valuations (Salt Lake City Only):

<u>Total Valuation</u>	<u>Estimated in 1 Yr.</u>	<u>Estimated in 5 Yrs.</u>
\$3,000,000	\$3,700,000	\$8,200,000

Gross Taxable Sales (Salt Lake City Only):

<u>Current Taxable Sales</u>	<u>Estimated in 1 Yr.</u>	<u>Estimated in 5 Yrs.</u>
\$0	\$2,200,000	\$7,400,000

Our printing operation will be the source of sales tax revenue to the city as the supplies used in the printing operations, including paper, will be sales taxable according to the Utah State Tax Commission. Since much of the printing will be for our books for other states where we will have to pay a use tax, we are hoping to avoid a double taxation issue. We are working with the Utah State Tax Commission to resolve this issue.

11. Description of all collateral required to finance the project:

- We are looking at purchasing the below equipment:
 - 1 King Press 8 unit Printing Press \$1,175,000
 - 1 Mueller Martini Perfect Binder 21 Pocket \$30,000
 - 1 Fuji Pre-Press Equipment \$134,000
 - 1 Shanklin HS-3 w/ Shrink Wrap \$143,000
 - 1 Lantech Q300 Stretch Wrapper \$10,200
 - 1 Waste Recovery System \$9,100
 - 1 Polar 115 Paper Cutter \$25,000
 - 1 Muller Martini Conveyors \$30,000
 - 1 Wohlenberg TS Book Saw \$36,000
 - 1 Wurst Flat and Twist Belt \$10,000
 - Installation and other minor equipment costs \$397,700

PART D: EMPLOYMENT INFORMATION

1. How many new jobs will be created, at what levels, and what percentage of the applicant’s total payroll will they comprise?

This project will benefit the public by creating more than 270 solid jobs in Salt Lake City over the next 5 years, which in turn, will mean more tax dollars for the City. The jobs will be in all areas of the company’s Salt Lake City office and printing operations. Our Salt Lake City operation accounts for 60.6% of our total payroll costs.

2. Specify the classification and number of permanent jobs created in Salt Lake City:

Currently Local Pages (Designated as TLP in the table below) has only one location and that is in Salt Lake City. The table below shows our present and projected employment levels for our Salt Lake City office and printing operation. Other Employees consist of Outside Sales People and employees that work outside of our Salt Lake City offices.

<u>Classification</u>	Present Employment	Proposed Employment	5 year Projected	10 Year Projected
Executives/Mgrs	8	8	26	60
Professionals	11	12	39	88
Craftsmen (Skilled)	2	14	32	50
Laborers (Unskilled)	0	0	0	0
Office/Clerical	36	40	136	300
Services/Sales	32	37	126	285
Other (Specify)	0	0	0	0
TOTAL SLC	89	111	359	783
Other Employees	90	112	362	790
TOTAL TLP	179	223	721	1,573

3. For each type of employment classification, specify the average annual wage:

This table covers only our Salt Lake City operations.

<u>Classification</u>	<u>Current Average Annual Wage</u>
Executives/Mgrs.*	49,100
Professionals	21,100
Craftsmen (Skilled)	25,500
Laborers (Unskilled)	
Office/Clerical	21,600
Services/Sales*	23,800
Other (Specify)	

* Does not include owner draws or our more highly paid outside sales representatives, all of whom work outside of our Salt Lake City offices.

4. Specify the classification and number of temporary jobs created:

All jobs will be full-time

PART E: SIGNATURE(S)

By Joe Reidling Joe Reidling
(Signature of Authorized Representative) (Please Print Name)

By _____
(Signature of Authorized Representative) (Please Print Name)

Date _____

Please enclose a \$1,000 nonrefundable application fee and send application package to:

Ed Butterfield
Small Business/Economic Development Manager
Mayor's Office
Salt Lake City Corporation
451 South State Street, Room 306
Salt Lake City, Utah 84111
If you have questions, call 801/535-6306.

FEE SCHEDULE

The applicant shall pay to the City, at the time of filing, an application fee that is nonrefundable even if the bonds are not issued. The application fee for a new issue is \$1,000 and for a refunding issue is \$500. This fee may be applied to the following fee schedule.

The applicant shall also pay to the City, at the time of closing, an industrial revenue bond fee that shall be calculated as follows:

\$7,500 plus
.15% of the principal face amount of the bonds for the first \$5,000,000
.10% for the second \$5,000,000
.075% for the third \$5,000,000
.05% for the fourth \$5,000,000

The minimum fee for any issue shall be \$15,000 and the maximum fee shall be \$25,000.

In addition, the applicant shall pay to the City's Financial Advisor at closing \$1.75 per \$1,000 par amount of the bonds, with a minimum of \$7,500 for financial advisory services associated with the issuance of the proposed bonds.