# VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

# CONDUIT BOND PROGRAM

## APPLICATION INSTRUCTIONS

1. A 2026 calendar of VSBFA Board meeting dates and application cut-off dates is attached to these instructions.

2. For **tax-exempt private activity bonds**, a public hearing and approval process is required under § 147(f) of the Internal Revenue Code and **Virginia Code § 2.2-2292**, which governs and supersedes any related language in this application. The Virginia Small Business Financing Authority (the "Authority") will conduct the hearing unless otherwise specified by federal law.
   - **Notice**: Must be published at least 7 days prior in a newspaper with general circulation in the locality of the proposed facility; the applicant is responsible for publication costs.
   - **Content**: Notice must include the Authority's and applicant's names and addresses, the maximum financing amount requested, the type and purpose of the business, and the facility's location (if known).
   - **Hearing Location**: May be held anywhere within Virginia as determined by the Authority's Board.
   - **Optional Statement**: Applicants may submit a financial impact summary (e.g., estimated taxes, property values, and local spending), though it is not required for bond validity.

3. The Applicant must **email Anna Mackley** the application, including all required attachments, to anna.mackley@sbsd.virginia.gov AND **mail a non-refundable application fee of $1,000.00.** VSBFA's address is:

   Express Mail: 600 East Broad Street, Suite 300, Richmond, VA 23219
   UPSP Mail: P.O. Box 446 Richmond, VA 23218-0446

4. If you have any questions after reviewing the application, please email Anna Mackley at anna.mackley@sbsd.virginia.gov or contact our office at 804-371-8255.

## REQUIRED ATTACHMENTS

**THIS APPLICATION WILL NOT BE CONSIDERED COMPLETE UNLESS THE FOLLOWING ITEMS ARE SUBMITTED ELECTRONICLY WITH THE APPLICATION FORM.**

A. Cover Letter - Please enclose a letter which includes (i) a brief history and description of the applicant's business; (ii) a description of the project to be undertaken; and (iii) the benefits the community will receive if the financing is approved.
B. Fiscal Impact Statement (for tax-exempt financings only) - See Exhibit I of Application.
C. Commitment letter from financial institution, if available.
D. Copy of driver's licenses of all owners of applicant with ownership interest of 20% or more.
E. Public hearing notice (for tax-exempt financings only).
F. **For 501 (c) (3) not-for-profit clients only: If the project is divided among multiple local jurisdictions, please provide us with a breakdown of how much of the bond proceeds will be used in each locality. (The sum total should equal the total amount of the bond issuance.)**

PLEASE CONTACT VSBFA IF YOU HAVE ANY QUESTIONS AS TO WHAT FINANCIAL INFORMATION IS REQUIRED TO BE SUBMITTED WITH THE APPLICATION.

**VIRGINIA SMALL BUSINESS FINANCING AUTHORITY**

**2026 PUBLIC HEARING DATES**

**Contact VSBFA at (804) 371-8255 for time and location of VSBFA Public Hearing**

| Date of Public Hearing | Latest Date Application must be Received by VSBFA | Latest Date for First Publication | Latest Date for Second Publication |
|---|---|---|---|
| January 13, 2026 | December 30, 2025 | December 30, 2025 | January 6, 2026 |
| February 10, 2026 | January 27, 2026 | January 27, 2026 | February 3, 2026 |
| March 10, 2026 | February 24, 2026 | February 24, 2026 | March 3, 2026 |
| April 14, 2026 | March 31, 2026 | March 31, 2026 | April 7, 2026 |
| May 12, 2026 | April 28, 2026 | April 28, 2026 | May 5, 2026 |
| June 9, 2026 | May 26, 2026 | May 26, 2026 | June 2, 2026 |
| July 14, 2026 | June 30, 2026 | June 30, 2026 | July 7, 2026 |
| August 11, 2026 | July 28, 2026 | July 28, 2026 | August 4, 2026 |
| September 8, 2026 | August 25, 2026 | August 25, 2026 | September 1, 2026 |
| October 13, 2026 | September 29, 2026 | September 29, 2026 | October 6, 2026 |
| November 10, 2026 | October 27, 2026 | October 27, 2026 | November 3, 2026 |
| December 8, 2026 | November 24, 2026 | November 24, 2026 | December 1, 2026 |

# <u>SAMPLE FORMAT OF PUBLIC NOTICE FOR NEWSPAPER PUBLICATION</u>
# TAX-EXEMPT PRIVATE ACTIVITY BOND FINANCING

## NOTICE OF PUBLIC HEARING ON PROPOSED TAX-EXEMPT BOND FINANCING BY THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

Notice is hereby given that the **Virginia Small Business Financing Authority (the "Authority")** will hold a public hearing on the application of **[Insert Applicant Name and Principal Business Address]** (the "Applicant") requesting the issuance of up to **[Insert Maximum Dollar Amount]** in **tax-exempt private activity bonds** under the **Virginia Small Business Financing Act** and **§ 147(f) of the Internal Revenue Code**. The proceeds of the bonds will be used to assist the Applicant in **[Insert Description of Project: acquiring, constructing, equipping, renovating, etc.; include approximate square footage and business type]**, to be located at **[Insert Street Address or Legal Description, including City/County], Virginia**.

The public hearing will be held on **[Insert Date]**, at **[Insert Time]**, at **[Insert Location]**, as determined by the Authority's Board. The hearing may be continued or adjourned. Persons may appear and present their views on the proposed bond issuance and project.

As required by law, the bonds will not constitute a debt or pledge of the faith and credit of the Commonwealth of Virginia or any political subdivision, including the Authority, but will be payable solely from revenues derived from the Applicant.

A copy of the Applicant's application is available for public inspection at the Authority's office located at **600 East Broad Street, Suite 300, Richmond, Virginia 23219**, during regular business hours.

**Note**: This notice is required only for **tax-exempt private activity bond financings**. All procedures are governed by **Virginia Code § 2.2-2292**, which supersedes any conflicting language in this application.

# APPLICATION TO

# THE VIRGINIA SMALL BUSINESS FINANCING AUTHORITY

# FOR THE ISSUANCE OF CONDUIT BONDS

| | |
|---|---|
| NAME OF APPLICANT(S) | DATE SUBMITTED |
| LOCATION OF PROJECT (COUNTY OR CITY) | MAXIMUM AMOUNT OF BONDS REQUESTED |

APPLICATION

The information requested in this application is necessary to process a request for assistance. Please complete all the blanks, using "NONE" or "NOT APPLICABLE" where necessary. In all cases, if the applicant (project owner) is different from the project user, information should be provided on both entities. If more space is needed to answer any specific question, use a separate sheet of paper.

**I. TYPE OF FINANCING**

A. For what type of financing are you applying? Choose one.

(1) Tax-exempt industrial development bond? ☐

(2) Tax-exempt 501(c)(3) bond? ☐ *(go directly to Section II)*

(3) Exempt Facility bond? ☐

(4) Taxable bond? ☐

B. If you checked (1) or (3) above, does the applicant, including any parent or subsidiary corporation or affiliated entity, in Virginia have:

(1) 250 or less employees? Yes ☐ No ☐
Please state number of full time employees: _____

(2) Less than $10,000,000 in annual gross revenues over <u>each</u> of the last three (3) fiscal years?
Yes ☐ No ☐

(3) Less than $2,000,000 in net worth? Yes ☐ No ☐

**II. PROJECT APPLICANT** (proposed owner of the project)

A. Applicant's Legal Name: ______________________________

Address: ______________________________

______________________________

City/State/Zip: ______________________________

Federal Tax ID#: ______________________________

NAICS: ______________________________

Contact Person and Title: ______________________________

E-mail address: ______________________________

Telephone Number: ______________________________

Fax Number: ______________________________

B. Is the proposed project owner, and/or user, a subsidiary or direct or indirect affiliate of any other organization? If so, indicate name of related organization and relationship:

C. History and Background of Applicant:

- Corporation ☐ Partnership ☐ Sole Proprietorship ☐
- LLC ☐ LLP ☐ Sub-S ☐
- Date and State of organization: _____
- Please provide a brief history of the organization and the goods or services it provides.

  ______________________________

- Please describe your current service area and number of clients or customers, and describe how the proposed project will affect the quantity and quality of goods or services you currently provide.

  ______________________________
  ______________________________

- Please attach a current listing of the organization's board of directors and (for 501(c)(3) applicants only) verification of its 501(c)(3) status.

  ______________________________
  ______________________________
  ______________________________

D. Officers: Please list the names of the officers of the organization, their titles and their start dates.

| Name | Title |
|---|---|
| ______________________ | ______________ |
| ______________________ | ______________ |
| ______________________ | ______________ |
| ______________________ | ______________ |

E. Facility

- Is any part of the facility to be used by another public or private entity? If yes, please explain.

______________________________

- Does the facility possess all of the necessary licenses and permits for operation? If no, please explain.

______________________________

## III. PROJECT REPRESENTATIVES

Contact Person, Company Name, Complete Address, Telephone Number and email address:

A. Applicant's Attorney: ______________________________
______________________________
______________________________
______________________________

B. Applicant's Bond Counsel: ______________________________
______________________________
______________________________
______________________________

C. Probable Lender/
Underwriter for this Project: ______________________________
______________________________

## IV. PROJECT SUMMARY

A. Please provide a brief narrative description of the project to be financed (including square footage, type of facility, products produced, if any, etc.):

______________________________
______________________________

B. Location(s) of Proposed Project (if there is more than one, please attach a separate sheet)

1. Street Address: ______________________________

2. City, County or Town: ______________________________

3. Name, complete address, telephone number and email address of Economic or Industrial Development Director:

Name: ______________________________

Address: ______________________________

______________________________

Telephone: ______________________________

Email address: ______________________________

4. Name, complete address, and telephone number of Clerk of Local Governing Body (i.e., Council [for cities and towns] or Board of Supervisors [for counties]): (For more than one locality, please attach separate sheet.)

Name: ______________________________

Address: ______________________________

______________________________

Telephone: ______________________________

C. Zoning and Infrastructure:

1. Do proposed uses of project comply with all governmental zoning and subdivision regulations?
Yes ☐ No ☐
If no, explain action to be taken to comply.

D. Source of cash for repayment of bond debt:

## V. PROJECT COSTS

A. State the costs reasonably necessary for the completion of the proposed project, together with any machinery and equipment to be acquired in connection therewith, and including any utilities, access roads or appurtenant facilities, using the following categories:

1. Description of Cost — Amount

| Description of Cost | | Amount |
|---|---|---|
| Land (Purchase) | $ | ____________ |
| Buildings (Purchase) | | ____________ |
| Buildings (Construction) | | ____________ |
| Buildings (Renovations) | | ____________ |
| Equipment, machinery | | ____________ |
| Utilities, roads and appurtenant facilities | | ____________ |
| Engineering and/or Architectural fees | | ____________ |
| Legal fees | | ____________ |
| Financial charges | | ____________ |
| Other (Specify) | | ____________ |
| TOTAL PROJECT COST | $ | ____________ |
| Less: Equity contribution, if any | $ | ____________ |
| Other sources of funding (specify below) | $ | ____________ |
| ____________________ | | |
| **TOTAL BOND FINANCING REQUESTED** | **$** | ____________ |

## VI. ANTICIPATED BENEFIT TO THE COMMONWEALTH

A. Indicate facts which would support VSBFA in determining that the project would:

1. Tend to maintain, diversify or expand employment opportunities within Virginia:

2. Aid, assist and encourage economic development in Virginia:

B. Employment Impact:

Indicate below the number of people presently employed at the site of the project (or current employees who will be relocating to the project site) and the number that will be employed at the site at the end of the first and second years after the project has been completed (do not include construction workers).

Present employment _____ Year 1 _____ Year 2 _____

Average Wage ______

C. State other potential economic, social or non-monetary benefits which will accrue to the citizens of the Commonwealth of Virginia.

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**VII. The following questions are for statistical purposes only and your response is purely voluntary.**

Gender of majority owner(s) male ☐ female ☐

Race White ☐ Asian ☐ Black ☐ Hawaiian or Pacific Islander ☐ Native American ☐ Other ☐

Hispanic Yes ☐ No ☐

**VIII. CERTIFICATE OF APPLICATION**

PLEASE NOTE: Eligibility for financial assistance from VSBFA is determined by the information presented in this Application and in the required attachments. Any changes in the status of the proposed project from the facts presented herein could disqualify the project, including, but not limited to, the commencement of construction or the acquisition of assets such as land or equipment.

Please contact VSBFA before taking any action which would change the status of the project as reported herein.

______________________________________________

Name of Applicant

By:___________________________________________ Date:__________________

Title__________________________________________

## AGREEMENT TO PAY VIRGINIA SMALL BUSINESS FINANCING AUTHORITY'S COSTS AND EXPENSES

To induce the Virginia Small Business Financing Authority to consider this Application and to assist Applicant in the financing of the project, Applicant, by submitting this Application to the Virginia Small Business Financing Authority, agrees:

1. To pay all costs and expenses of the Virginia Small Business Financing Authority and its counsel, financial advisors and program managers in connection with the processing, authorization, issuance and sale of the bonds contemplated by this Application; either from the proceeds of the bonds which may be approved for the project by the Virginia Small Business Financing Authority, or in the event such financing is not approved or forthcoming, or if such costs are unable to be financed in the bond issue for legal or other reasons, the Applicant agrees to pay all costs from its own resources.

2. To advise the Virginia Small Business Financing Authority in writing of any material change to the information contained in this Application.

3. To provide, after successfully closing on the bond issue, one bound or electronic copy of the complete bond issue transcript to include **all executed documents and exhibits of the bond** transaction for the Virginia Small Business Financing Authority's file **within 120 days** of the closing date.

4. **Payment of Annual Bond Fee:**

   **On each anniversary date of the closing of the bond issue, the Applicant agrees to pay to the Virginia Small Business Financing Authority an Annual Bond Fee, as specified below:**

   - **For tax-exempt industrial revenue bond financing or taxable financing, the Annual Bond Fee shall be equal to one-tenth of one percent (1/10 of 1%) of the then outstanding principal amount of the bonds as of the anniversary date.**

   **B. For 501(c)(3) financing, the Annual Bond Fee shall be equal to one-tenth of one percent (1/10 of 1%) of the then outstanding principal amount of bonds as of the anniversary date, with the annual fee paid in any given year not to exceed $250,000.**

   **In the event the outstanding principal under the bond is repaid in full prior to the anniversary date of the closing of the bond issue, the Applicant agrees the Annual Bond Fee shall be based upon the principal outstanding under the bond immediately prior to the full repayment of the bond and the Annual Bond fee shall be pro-rated based upon that period of time during which the principal was outstanding.**

   **The Applicant agrees to submit a statement evidencing the principal balance due under the bond with a payment for the fees on the anniversary date of the bond issue.**

   **The Applicant agrees that the aforementioned fees are a debt to the Commonwealth of Virginia. Failure to pay the fees when due will result in legal action and the VSBFA will exercise all rights given to it under the Set-Off Debt Collection Program as authorized under the Virginia Debt Collection Act and the account will be turned over to the Commonwealth's Office of Attorney General for collection and legal action.**

   The Applicant agrees that the Virginia Small Business Financing Authority shall not be liable to the Applicant for any damages, direct or consequential, resulting from the failure of the Virginia Small Business Financing Authority to issue bonds for the Applicant's project for any reason, including, but not limited to, any decision by the Virginia Small Business Financing Authority in its sole discretion to allocate its allowable volume of bonds to other applicants.

   The Applicant further represents that it understands the conditions of this Application, that there is no guarantee of approval, and that all statements and information furnished with this Application or on supporting papers are true and correct to its best knowledge and belief.

   IN WITNESS WHEREOF, the undersigned, being duly authorized to do so, have/has signed this Application.

______________________________________________
Name of Applicant

By:____________________________________________ Date:____________________

Title___________________________________________

Sworn and subscribed before me this ___day of___________________ 20_____.

My commission expires: / / ________________________________________

**EXHIBIT I**

**FISCAL IMPACT STATEMENT FOR PROPOSED**
**TAX-EXEMPT BOND FINANCING**
***(Not Necessary for Taxable Financings)***

TO: Virginia Small Business Financing Authority

______________________________________________
(Name of Applicant)

______________________________________________
(Facility)

______________________
(Date)

1. Maximum amount of financing sought. $______________

2. Estimated current taxable value of the facility's real property in the municipality in which it is located. $______________

3. Estimated taxable value of the facility's real property once constructed or expanded. $______________

4. Estimated real property tax per year using present tax rates on the facility's real property once constructed or expanded. $______________

5. Estimated personal property tax per year from property to be located in expanded or constructed facility using present tax rates. $______________

6. Estimated merchants' capital tax per year from property to be located in, expanded or constructed facility using present tax rates. (This is a local tax. Check with the locality for information.) $______________

7. Estimated dollar value of goods and services that will be purchased in the Commonwealth during construction or expansion of the facility. $______________

8. Estimated dollar value per year of goods and services that will be purchased in the Commonwealth for the operation of the facility. $______________

9. Estimated dollar value per year of goods and services that will be produced and sold from the facility. $______________

10. Estimated number of employees during construction or expansion. #______________

11. Estimated number of regular employees on a year-round basis during operation. #______________

If any of the above answers do not apply to the project, indicate this by writing N/A (not applicable) on the appropriate line.