

Texas Industry Development Program (TID)
(Economic Development Financing by the Texas Small Business Industrial Development Corporation)
FAQ

What is TID and who is TSBIDC?

- ▶ The Texas Small Business Industrial Development Corporation (TSBIDC) was established by the Texas Legislature
- ▶ TSBIDC's purpose is to issue bonds and finance public infrastructure projects and private economic development in the State of Texas
- ▶ The economic development loan program is marketed as Texas Industry Development (TID)
- ▶ TSBIDC is governed by a four member Board of Directors who are appointed by the Governor
- ▶ The Board has the responsibility to determine whether an applicant project for TID financing is required or suitable for the promotion of economic development in the state

Who can Apply for an Economic Development Loan?

- ▶ Eligible Borrowers are Texas Communities with a minimum credit rating of "A" (or its equivalent) by Moody's or by Standard & Poor's or, who have the ability to secure a Letter of Credit to obtain the required credit rating , and 501(C)(3) corporations
- ▶ Up to \$5,000,000 is available for loans to private companies who have a minimum credit rating of "A"

Eligible Loans

- ▶ Projects must promote economic development in the state
- ▶ Community projects must be for public use
- ▶ Project costs include acquisition, construction, reconstruction, improvement and expansion of land, buildings and improvements (including rights of way, property rights and easements), machinery and equipment, financing charges, necessary reserve funds, engineering and legal services.

Loan Terms

- ▶ Variable rate financing. The interest rate is reset weekly based upon the bond reset rate
- ▶ Borrowing cost is historically below 4.0%
- ▶ Loan terms up to 14 years
- ▶ Loan term cannot extend beyond the useful life of the assets or bond maturity of 2025
- ▶ TID purchases Borrowers obligations
- ▶ Minimum loan amount is \$1,000,000
- ▶ Borrower responsible for the closing costs
- ▶ Bonds and Loans are secured with a Senior Lien pledge
- ▶ Borrower pays prorata and proportionate share of the interest accrued on the bonds, proportionate shares of service provider fees less a share of investment earnings