



KEY FINANCE PROGRAMS 2006

The Mississippi Development Authority, through the Financial Resources Division, administers a variety of incentive programs designed to assist businesses in obtaining grants and loans for development and expansion and to posture the State as an aggressive competitor in the Global Market. Major projects require major financing and Mississippi can tailor a package of financial programs that will make your Company's expansion or location as simple and cost-effective as possible.

For additional information on any programs listed in this book, please contact:

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**GRANT
PROGRAMS
FOR
BUSINESS
CUSTOMERS**

DEVELOPMENT INFRASTRUCTURE GRANT PROGRAM (DIP)

The Mississippi Development Infrastructure Program (DIP), administered by the Mississippi Development Authority (MDA) is designed for making grants to counties or municipalities (Local Sponsors) to finance small infrastructure projects to promote economic growth in the State of Mississippi. Counties and municipalities are encouraged to use these funds in connection with other State and federal programs.

ELIGIBILITY

Local governing authorities of counties or municipalities are eligible to apply for the DIP program.

ELIGIBLE PROJECTS

1. Projects must be directly related to the construction, renovation, or expansion of a new or expanded industry.
2. Eligible projects financed with DIP funds must be **publicly owned**.

Including but not limited to:

- Drainage systems
- Energy facilities (power generation and distribution)
- Sewer systems (pipe treatment)
- Transportation facilities directly affecting the site, including roads, bridges, rail lines, or pipelines
- Water supply systems (storage, treatment, and distribution)
- Marine structures
- Land improvements

Eligible Projects should benefit the following types of industries:

- Manufacturing and processing
- Large distribution facility
- Service support to agriculture, aquaculture, and mariculture
- Service support to manufacturing and processing
- Telecommunications and data processing
- Corporate headquarters and operations centers
- Research and development

DIP funds may not be used for working capital or to provide facilities for utilization by a gaming enterprise.

TERMS: 1 year from date of executed grant agreement to request reimbursement.

AMOUNT: Maximum GRANT amount: \$150,000

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for program information.

Statute: Section 57-61-36, Ms Code 1972, Annotated

ECONOMIC DEVELOPMENT HIGHWAY GRANT PROGRAM (EDH)

The Economic Development Highway Act, administered by the Mississippi Development Authority (MDA), is designed to assist political subdivisions with Highway Projects, which encourage private companies to engage in "high economic benefit" projects within their area.

The purpose of this program is to promote industrial and other significant development in the State of Mississippi through the construction and/or improvement of highways in areas that demonstrate actual and immediate potential for the creation, or expansion of major industries or other significant development. The highway or highway segment to be constructed must be necessary to ensure adequate and appropriate access to a proposed company project for the purpose of encouraging its location within a political subdivision.

ELIGIBILITY

- One or more counties or incorporated municipalities in the state
- A state-owned port located in a county bordering the Gulf of Mexico

ELIGIBLE PROJECTS

An eligible high economic benefit project is a proposed project by a company, which meets one of the following definitions or meets other criteria established in Ms Code 1972, Annotated, Section 65-4-5, paragraph (C)(i).

1. Any new investment by a private company with capital investments in land, building, depreciable fixed assets and improvements of at least \$50,000,000; includes but not limited to any agricultural, aquacultural, maricultural, processing, distribution, warehousing, manufacturing, or research and development enterprise.
2. Any new investment by a private company with capital investments in land, building, depreciable fixed assets and of at least \$20,000,000 by a private company having capital investments in this state in land, building, depreciable fixed assets and improvements of at least \$1,000,000,000 in the aggregate; including but not limited to any air transportation and maintenance facility, regional shopping mall, hospital, large hotel, resort or movie industry studio.
3. Public investment of at least \$100,000,000 to take place over a specified period of time and in accordance with a master plan duly adopted by the controlling political subdivision.
4. Any new investments in land, buildings, depreciable fixed assets and improvements by 2 private companies upon land that is adjacent whenever the new investments in both companies are at least \$60,000,000 in the aggregate, and such new investment by both private companies provide for the employment of at least 500 employees in the aggregate; including but not limited to any existing or proposed industry that meets the criteria.
5. Any project which would benefit from the construction of any highway bypass which would aid in economic development and would provide an alternate route to avoid an existing route which underpasses a railroad and which would aid in existing or proposed industry;
6. Any master planned community (refer to Statute Section 19-5-10)

ECONOMIC DEVELOPMENT HIGHWAY CONTINUED

7. Any new investments in land, buildings, depreciable fixed assets and improvements by not more than 3 private companies physically located within one-half (1/2) mile radius of each other whenever the new investments by such companies are at least \$60,000,000 in the aggregate, and such new investments by such companies provide for the employment of at least 300 new employees in the aggregate;
8. Any new investments in land, buildings, depreciable fixed assets and improvements by 2 or more private companies upon lands originally adjacent, but now divided by a four-lane state highway and bordered by a two-lane state highway, and the new investments of the companies is at least \$50,000,000 in the aggregate, and a portion of such new investment will be utilized for the construction of a hospital,
9. Any new investments in land, buildings, depreciable fixed assets and improvements of at least \$50,000,000 in the aggregate, in any county having a population greater than 70,000 according to the latest federal decennial census, and in which the population of such county, according to the latest federal decennial census, increased by at least 10% above the population in the preceding federal decennial census, and a portion of such new investment will be used in the construction of a hospital for which a certificate of need has been issued by the State Department of Health through July 1, 2007.

ELIGIBLE ENTITIES

Private companies, which are eligible for assistance under the EDH Program include:

Agricultural Enterprises	Large Hotels or Resorts
Air Transportation/Maintenance Facilities	Manufacturing Enterprises
Aquaculture Enterprises	Maricultural Enterprises
Distribution Facilities	Regional Shopping Malls
Hospitals	Research and Development Enterprises
Industrial Enterprises	Warehousing Facilities

AMOUNT: Grant amount will be based on MDOT State Aid standards and must be approved by the MDA Executive Director.

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 65-4-1, Ms Code 1972, Annotated

INDUSTRIAL ACCESS ROAD GRANT PROGRAM

The Mississippi Industrial Access Road Program, administered by the Mississippi Development Authority (MDA) and the Mississippi Department of Transportation (MDOT), is designed to encourage and promote industrial growth by providing access roads to industrial developments.

Under this program, MDA and MDOT assist local governmental entities in the construction of links to highways or roads necessary to connect new & existing industrial sites to adequate road facilities. MDA and MDOT will designate the "industrial site" for purposes intended for the Industrial Access Road Program.

An "industrial site" is generally defined as the property holdings, an area around a building site containing parking facilities, and circulation roadways. Connections that would normally be considered as driveways from a public road to adjacent property or roads built for internal circulation within an industry's boundaries will not be eligible for assistance.

Once the project has been approved and selected, MDA shall issue a certificate of public convenience and necessity to the effect that such designated and selected link of highway or road should be constructed in order to encourage and promote economic development and file this certificate with the Director of MDOT.

MDA will not select and designate any such link of road or highway until satisfactory evidence that an industry desires and intends to locate on the selected site and that the location of the industry and the construction of such road or highway is economically feasible. Construction of any such road shall not begin until the location and construction of such industry is assured and contracts have been made between the industry and the local authority.

ELIGIBILITY

Local governmental authorities of the county or municipality with a need for access roads to new and existing industrial sites are eligible to apply for this program.

ELIGIBLE PROJECTS

Industrial development of any port or harbor area or other industrial site in which it is necessary to connect selected sites to adequate road or highways is eligible to apply for the program.

FUNDING

Any highway or public road approved under this program will be constructed from highway funds of the highway district, in which the highway or road is located through MDOT.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 65-1-41, Ms Code 1972, Annotated

FREIGHT RAIL SERVICE GRANT PROGRAM (RAIL)

The local governments Freight Rail Service Grant Program, administered by MDA, is designed for the purpose of making grants to counties and municipalities so that the governing authorities of such may utilize these grants to assist counties in defraying expenses relating to the upgrading of railroad services to promote industrial development and public safety. Only projects approved by the Mississippi Department of Transportation (MDOT) shall be eligible for RAIL grants. The project approval process will be initiated by MDOT via a third party agreement.

Municipalities and counties are encouraged to use these grants in connection with other state and federal programs.

ELIGIBILITY

Incorporated municipalities or counties with projects approved by MDOT are eligible to apply for the grant program.

ELIGIBLE PROJECTS

Counties may receive grants for Freight Rail Service projects relating to the upgrading of rail grade crossings. Only projects approved by MDOT will be eligible for RAIL grants. The project approval process will be initiated by MDOT via a three-party agreement.

AMOUNT: Maximum GRANT amount: \$250,000 per project.

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-44-1, Ms Code 1972, Annotated

JOB PROTECTION GRANT PROGRAM

The Mississippi Job Protection Act administered by the Mississippi Development Authority for the purpose of providing grants to 'at risk' industries that have been operating in the state for at least 3 years that have lost jobs or is at risk to lose jobs because such jobs have been outsourced.

ELIGIBILITY

'At Risk' industries that have been operating in the state for at least 3 consecutive years and have lost jobs or are at risk of losing jobs because of outsourcing.

The 'Eligible Entity' must use the grant for job retention and to improve productivity and competitiveness.

MDA will conduct a financial analysis of the business requesting the grant. Credit information is required on all persons or entities with 20% or greater interest in the company.

"Outsource" means to send out work or jobs of a certain provider or manufacturer in Mississippi to a provider or manufacturer located outside the boundaries of the United States or any territory of the United States.

<p>AMOUNT: Maximum GRANT amount: \$200,000. Grant must be used in conjunction with a loan. The amount of the loan shall not exceed 50% of the total cost of the project.</p> <p>FUNDING: Funding is derived from the issuance of state general obligation bonds.</p>
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To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-95-1 Ms Code 1972, Annotated

**LOAN
PROGRAMS
FOR
BUSINESS
CUSTOMERS**

AGRIBUSINESS ENTERPRISE LOAN PROGRAM (ABE)

The Agribusiness Enterprise Loan Program (ABE), administered by Mississippi Development Authority (MDA), is a loan program designed to encourage the extension of conventional financing and the issuance of letters of credit by private lending institutions to agribusiness enterprises in the State of Mississippi.

ELIGIBILITY

To qualify for the Agribusiness Enterprise Loan Program, eligible entities must be directly involved with:

- Aquaculture
- Horticulture
- Agriculture related industry, manufacturing, research and development, or processing of agribusiness related goods and services.

ELIGIBLE PROJECTS

- Financing of buildings and equipment
- Costs associated with the purchase of land (appraisals, title searches, etc.).
- Proceeds shall **NOT** be used to purchase land, pay off existing debt, or to provide working capital.

TERMS:	Maximum term: 15 years, equal to term set by financial institution.
AMOUNT:	Maximum loan amount: 20% of total project cost or \$200,000, whichever is less. Excluding purchase of land.
FEES:	MDA requires 1% servicing fee on State's portion of loan, plus guarantee fees (2% SBA or 1% Farm Service Agency), if applicable.
RATE:	0% on State's portion of loan.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

To apply for this program, eligible agribusinesses should contact a financial lending institution to originate the ABE loan application.

Statute: Section 69-2-13, Ms Code 1972, Annotated

BUSINESS INCUBATOR LOAN PROGRAM

The Mississippi Business Incubator Loan Program (Incubator Loan Program), administered by the Mississippi Development Authority (MDA) is designed to assist local governments in the establishment of business incubator facilities in the State of Mississippi.

ELIGIBILITY

All applications for funding under this program must be made by a local government. Local governments are defined as any county, incorporated city or town.

Business Incubator

A business incubator is any existing or to be constructed facility, housing an enterprise support network, that contains shared services and equipment. The purpose of the facility is to enhance the process of local economic development through the creation of jobs and the fostering of an environment that is conducive to business start-ups.

- The facility must be for multi-tenant commercial or light industrial usage
- The facility must be dedicated to the development of an identified market of entrepreneurial activity. A feasibility study identifying that market is required.

ELIGIBLE PROJECTS

Loan proceeds may be used for financing all project costs associated with the development of an incubator, including fixed assets, professional fees related to the construction of the project, and purchase of machinery and equipment.

TERMS:	Maximum term: 20 years for land and building and 10 years for machinery, equipment, and all other eligible expenditures.
AMOUNT:	Maximum Loan amount: \$500,000.
RATE:	Interest rate: 3.0% Fixed

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-34, Ms Code 1972, Annotated

ENERGY INVESTMENT LOAN PROGRAM

The Mississippi Energy Investment Program ("Energy Investment Program"), administered by the Mississippi Development Authority (MDA), is designed for making loans to qualified borrowers to promote development and demonstration of efficient, environmentally acceptable and commercially feasible technologies, techniques and processes while effectively utilizing the state's existing alternative and conventional energy resources to foster economic and social growth.

ELIGIBILITY

In order to obtain assistance under the Energy Investment Program, the applicant must be declared financially sound and capable of repaying the loan and must belong to one of the following categories:

- Corporation
- Partnership
- Hospitals (public and private "non-profit")
- Institutions of higher learning
- Community colleges
- Schools (public or private)
- Local government entities

ELIGIBLE PROJECTS

Eligible projects include retrofits and energy design process developments. The improvement must promote the development and demonstration of efficient, environmentally acceptable and commercially feasible technology and processes, and must also utilize Mississippi's existing energy resources, public utilities and/or developing resources that foster economic growth.

In order for the project to be eligible to receive assistance, the project must qualify pursuant to the 2-phase eligibility requirements provided below:

- Phase 1 - Structural Eligibility
- Phase 2 – Eligible Retrofit Measures

TERMS:	Maximum term: 10 years or estimated life of project, whichever is less.
AMOUNT:	Minimum LOAN amount: \$15,000 per project. Maximum LOAN amount: \$300,000 per project.
FEES:	MDA requires 1% good faith deposit on projects involving real estate pledged as collateral.
RATE:	3% below Prime Rate and a fixed-rate will be set upon loan approval.
FUNDING:	Funding for the loans to the Borrower are derived from the appropriated funds; a part of the Petroleum Violation Escrow Fund, M.D.L. 378 Oil Overcharge Funds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-39-39, Ms Code 1972, Annotated

EXISTING INDUSTRY PRODUCTIVITY LOAN PROGRAM

The Mississippi Existing Industry Productivity Loan Program, administered by the Mississippi Development Authority (MDA), is designed for making loans to existing industries that have been operating in the state for at least 2 years and meet minimum criteria established by MDA.

A manufacturing enterprise is one that is exclusively or predominately engaged in activities of an industrial or commercial nature wherein labor or skill is applied by hand or machinery, to materials belonging to the manufacturer so that a new, different, or more useful article is produced for sale.

Loan funds are to be used to finance long-term fixed assets. These are assets that, through new technology, will improve productivity and competitiveness of the company. The benefits of such asset must be documented.

An existing industry that accepts a loan under this program shall not reduce employment by more than 20% through the use of the long-term fixed assets for which the loan is granted. MDA will conduct a financial analysis of the business or industry requesting the loan. Guarantees will be required on all persons or entities with 20% or greater interest in the company.

TERMS:	Maximum term: 10 years or estimated useful life of Fixed Assets, whichever is less.
AMOUNT:	Minimum loan amount: \$250,000 Maximum loan amount: 50% of total project cost or \$500,000, whichever is less.
RATE:	Interest rate on the most recent issue of 20-year state general obligation bonds occurring prior to the date the loan is made.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-93-1, Ms Code 1972, Annotated

FREIGHT RAIL SERVICE REVOLVING LOAN PROGRAM

The Mississippi Freight Rail Service Projects Revolving Loan Program (RAIL), administered by the Mississippi Development Authority (MDA), is designed for making loans and grants to municipalities and/or counties (the "Applicant") to finance freight rail service projects in the State of Mississippi. Counties and municipalities are encouraged to use these funds in connection with other state and federal programs.

ELIGIBILITY

The governing authority of a municipality or county is eligible to apply for this program.

ELIGIBLE PROJECTS

A project, which involves the acquisition, construction, installation, operation, modification, renovation or rehabilitation of any freight rail service facilities, is eligible for this program.

A project, which may include any fixtures, machinery or equipment, used in conjunction with any freight rail service facilities.

Any project for any freight transportation purpose.

Construction costs (including reasonable and customary site work for buildings, right of ways, easements, etc.)

Up to 8% of the principal loan amount for design work, i.e. engineer or architect. Engineering and/or architectural costs above 8% will be paid from other funding sources.

TERMS:	Maximum term: 15 years or estimated life of project, whichever is less.
AMOUNT:	Cumulative maximum loan amount: \$1,000,000 per project per calendar year.
RATE:	Interest rate shall be 1% below the Federal Reserve Discount Rate at the time of loan approval.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-44-1 et seq. Ms Code 1972, Annotated

JOB PROTECTION LOAN PROGRAM

The Mississippi Job Protection Act, administered by the Mississippi Development Authority, provides loans to 'at risk' industries.

ELIGIBILITY

'At risk' industries that have been operating in the state for at least 3 years and have lost jobs or are at risk of losing jobs because of outsourcing.

"Outsource" means to send out work or jobs of a certain provider or manufacturer in Mississippi to a provider or manufacturer located outside the boundaries of the United States or any territory of the United States.

The eligible enterprises must use the loan for job retention or to improve productivity and competitiveness.

MDA will conduct a financial analysis of the business requesting the loan.

Loan funds may be used for land, building, and depreciable fixed assets. Loan proceeds may not be used for working capital, debt refinancing or rolling stock.

TERMS:	Maximum: 10 years or the determined useful life of the project to be financed.
AMOUNT:	Minimum loan amount: \$200,000 Maximum loan amount: \$750,000
RATE:	Interest rate shall be on the most recent issue of 20-year state general obligation bonds occurring prior to the date the loan is made.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-95-1, Ms Code 1972, Annotated

LOCAL GOVERNMENTS CAPITAL IMPROVEMENTS REVOLVING LOAN PROGRAM (CAP)

The Local Government Capital Improvements Revolving Loan Program is designed for making loans to counties or municipalities to finance capital improvements in Mississippi. Counties and municipalities are encouraged to use these loans in connection with state and federal programs.

ELIGIBILITY

Counties or Municipalities are eligible to apply for this program.

ELIGIBLE PROJECTS

- Construction or repair of water and sewer facilities.
- Construction or repair of drainage systems for industrial development.
- Improvements in fire protection.
- Construction of new buildings for economic development.
- Renovation or repair of existing buildings for economic development purposes.
- Construction or repair of access roads for industrial development;
- Purchase of buildings for economic development purposes.
- Construction or repair of railroad spurs for industrial development;
- Construction of any county or municipally-owned health care facilities, excluding any county health departments;
- Construction, purchase, renovation or repair of any building to be utilized as an auditorium or convention center;
- Construction of multipurpose facilities for tourism development;
- Loans to a county to aid in retiring interest-bearing loans utilized for the purchase of a motion picture sound stage;
- Construction, repair and renovation of parks, swimming pools and recreational and athletic facilities; or
- Remediation of brownfield agreement sites in accordance with Sections 49-35-1 through 47-35-25.

TERMS: Maximum term: 20 years

AMOUNT: MAXIMUM loan amount: \$1,000,000 per local entity per calendar year.
MINIMUM loan amount: \$30,000 per project.
The Maximum CAP loan Indebtedness allowed per applicant is \$2,500,000 outstanding principal balance. Loans for the construction, repair and renovation of parks, swimming pools and recreational and athletic facilities shall not exceed \$250,000 per project. Loans for remediation of brownfield agreement sites in accordance with Sections 49-35-1 through 47-35-25.

RATE: Tax-exempt Rate: 2% per Annum / Taxable Rate: 3% per Annum

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-1-301, Ms Code 1972, Annotated

MINORITY BUSINESS ENTERPRISE LOAN PROGRAM (MBE)

The Minority Business Enterprise Loan Program (MBE), administered by the Mississippi Development Authority (MDA), combines state and private lending sources to assist new and existing minority businesses in gaining access to needed capital in the form of direct low-interest loans. The program is designed to provide loans to socially and economically disadvantaged minority and women owned businesses.

ELIGIBILITY

A minority business enterprise means a socially and economically disadvantaged small business concern, organized for profit, performing a commercially useful function which is owned and controlled by one or more minorities or minority business enterprises certified by the Mississippi Development Authority, at least 50% of whom are MS resident citizens. Eligible businesses are required to obtain [certification as a Minority Business Enterprise](#) by the Minority Business Enterprise Division prior to consideration for the loan. (As defined by the SBA (15 USCS, Section 637(a)).

The following entities are qualified to assist minority businesses with loans available to assist them in obtaining loans:

- Mississippi Planning and Development Districts ("PDDs")
- Small Business Investment Corporations
- Community Development Corporations
- Other appropriate entities

TERMS:	7 years - working capital 10 years - machinery and equipment 15 years - land and building.
AMOUNT:	Maximum loan amount: 50% of total project or \$250,000, whichever is less. Minimum total project considered: \$25,001
RATE:	Minimum interest rate: 2.0% below the Federal Reserve Discount Rate. Maximum interest rate: 2.0% above the Federal Reserve Discount Rate.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

To apply for this program, eligible minority businesses should contact the local Planning and Development District (PDD) to apply for program. Go to www.mapdd.org for contact information.

Statute: Section 69-2-13(4), Ms Code 1972, Annotated

MINORITY BUSINESS MICRO LOAN PROGRAM

The Minority Business Micro Loan Program, administered by the Mississippi Development Authority, provides a funding source for minority businesses needing financing for small projects.

A minority business is a socially and economically disadvantaged small business concern organized for profit as defined under the Small Business Act, 15 U.S.C.S., Section 637[a]), and performing a commercially useful function. The business must have one or more minority or female owners with controlling interest.

ELIGIBILITY

A business is required to obtain [certification as a Minority Business Enterprise](#) by the Minority Business Enterprise Division prior to consideration for the loan.

ELIGIBLE PROJECTS

- Purchase of fixed assets such as machinery and equipment,
- Use as working capital
- Inventory Purchase

TERMS: Maximum term: 7 years

AMOUNT: Minimum loan amount: \$2,000
Maximum loan amount: \$35,000

RATE: Fixed Interest rate: 4.0% over the Federal Reserve Discount Rate.

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, eligible minority businesses should contact the local Planning and Development District (PDD) to apply for program. Go to www.mapdd.org for contact information.

Statute: Section 69-2-13, Ms Code 1972, Annotated

MINORITY SURETY BOND GUARANTY PROGRAM

The Mississippi Minority Surety Bond Guaranty Program, administered by Mississippi Development Authority (MDA), strives to increase minority participation in construction and building trade contracts with federal, state, and local units of government, and their subsidiaries.

Often minority firms are unable to compete for this business because they cannot obtain the bid, performance, and payment bonds required by government contracts. The Minority Surety Bond Guaranty Program assists these firms through surety bond guaranties and technical assistance in internal management.

ELIGIBILITY

- Be in the construction or building trade business;
- Be a certified Minority Business Enterprise through the Minority Business Enterprise Division of the MDA;
- Have been in business at least one year prior to application;
- Have its principal place of business located in Mississippi;
- Meet experience and financial standards appropriate to the contract;
- Agree to subcontract no more than 75% of a qualified contract;
- Show reasonable evidence of inability to secure bonding under normal market conditions.

ELIGIBLE PROJECTS

Construction contracts with Federal, State and Local Units of Government.

TERMS: Set by Financial Institution.

AMOUNT: Maximum GUARANTY amount: 75% of contract bond amount or \$175,000, whichever is less for the 1st year, increasing up to \$250,000 for 2nd year. Maximum percentage (%) guaranty for any bond is 90%.

RATE: Set by Financial Institution.

To apply for this program, eligible minority businesses should contact the local Planning and Development District (PDD) to apply for program. Go to www.mapdd.org for contact information.

Statute: Section 69-2-13(5), Ms Code 1972, Annotated

CAPITAL ACCESS LOAN PROGRAM (MS CAP)

The Mississippi Capital Access Program (MS CAP), administered by the Mississippi Development Authority (MDA), is designed to increase the availability of financing for borrowers who, for various reasons, might have difficulty in obtaining conventional loans.

MDA may establish loss reserve accounts at financial institutions that participate in the program, and require payments by the financial institution and the borrower to such loss reserve accounts. Under the capital access program, a participating financial institution may make a loan to any borrower the MDA determines to be qualified under rules and regulations adopted by the authority and be protected against losses from such loans as provided in the program. Contributions established by MDA in such loss reserve accounts shall be used in the event of a loan default.

ELIGIBILITY

Includes the following (as defined by Section 8(d) of the Small Business Act (15 USCS 637(d)):

- A Small Business
- A Small Disadvantaged Business
- A Minority Business (minority or woman owned business)

ELIGIBLE PROJECTS

Projects directly relating to the creation or expansion of a small business may include the following:

- Fixed assets
- Working capital
- Start-up costs
- Rental payments
- Interest expense during construction
- Professional fees
- Repair, renovation & building improvements

Funds cannot be used to pay off existing debt and/or creditors; consolidation purposes; construction or purchase of residential housing; or real property that is held primarily for sale or investment.

TERMS:	Set by Financial Institution.
AMOUNT:	Maximum loan amount: \$150,000 per borrower. MDA will match amount deposited in loss reserve account at financial institution and require payments by the financial institution. Payments made by the borrower into the loss reserve account will have a maximum payment being 7%.
RATE:	Minimum interest rate: 1.5%.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-36(5) Ms Code 1972, Annotated

MISSISSIPPI BUSINESS INVESTMENT PROGRAM (MBI)

The Mississippi Business Investment Act Program (MBI), administered by the Mississippi Development Authority (MDA), is a program designed for making loans to local governmental entities, acting individually or jointly, in order to finance authorized improvements for projects necessary to compliment investments by private companies.

Projects should increase domestic and international commerce and create and maintain new full-time jobs in Mississippi.

ELIGIBILITY

Counties and incorporated towns or cities, acting individually or jointly, to compliment private investments that will create and maintain new full-time jobs in Mississippi are eligible to apply for this program.

ELIGIBLE PROJECTS

Agricultural Enterprises
Industrial Enterprises
Manufacturing Enterprises
Research and Development Enterprises
Tourism Enterprises
Maricultural Enterprises
Aquacultural Enterprises
Regional Shopping Malls
Service Enterprises

Use of loan funds must be directly related to a Private Company's facilities and is limited to construction, expansion, improvement, rehabilitation or repair infrastructure needs as outlined in the MBI Guidelines.

Job creation requirement: \$15,000 for each new job created and maintained.

Private match: \$3.00 for every \$1.00 of MBI assistance.

TERMS: Maximum term: 10 years or estimated life of project, whichever is less.

AMOUNT: Minimum loan amount: \$500,000 per project.

RATE: Negotiable by MDA Executive Director

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-25, Ms Code 1972, Annotated

MAJOR ECONOMIC IMPACT AUTHORITY (MMEIA)

The Mississippi Major Economic Impact Authority (MMEIA), administered by the Mississippi Development Authority (MDA) and the State Bond Commission, is designed to allow the state to assist local communities in meeting the development requirements inherent in large capital projects, thereby generating an investment in the quality of life in such communities.

ELIGIBILITY

All units of local government are eligible with projects that offer a minimum investment of \$300 million by the private sector.

ELIGIBLE PROJECTS

- New projects or expansions of existing facilities, which have a minimum initial investment of \$300 million by the private sector or the U.S. Government.
- Eligible projects include industrial or commercial projects, research and development, warehousing, distribution, transportation, processing, mining establishments, U.S. Government projects, and tourism facilities. Other projects qualify by individual legislation.
- Industrial or commercial projects, research and development, warehousing, distribution, transportation, processing, mining establishments, US Government projects and tourism facilities.
- Employers may also qualify if they have a capital investment of \$150 million from private sector or US Government sources together and create 1000 net new jobs or if they create 1000 net new jobs that pay 125% of the annual wage rate of the state. Ancillary developments that occur as a result of certain enterprises may also be eligible.

TERMS: Maximum loan term shall not exceed 20 years.

RATE: The loan will bear interest rate determined by the authority.

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-75-5, Ms Code 1972, Annotated

RESEARCH & DEVELOPMENT LOAN PROGRAM

The Mississippi Research and Development Program (R&D Loan Program), administered by the Mississippi Development Authority (MDA), is designed for making loans to private companies to aid in the creation of new and expanding research and development and technology-based businesses and industries.

ELIGIBLE ENTITIES

To qualify for assistance under the R&D Loan Program, a company must meet one of the following classifications:

Research & Development

A business engaged in laboratory, scientific or experimental testing and development related to new products, new uses for existing products, or improving existing products. Research and Development does not include any business engaged in efficiency surveys, management studies, consumer surveys, economic surveys, advertising, promotion, or research in connection with literary, historical or similar projects.

Technology

The enterprise shall manufacture plastics, automobiles, aircraft, computers or electronics, or be a computer design or software publishing facility with at least 10% of the workforce being scientists, engineers or computer specialists. The average wage of all workers employed shall be at least 150% percent of the state average annual wage. A basic health care plan must be provided to all employees.

- Such companies shall employ at least 10 persons in full time positions
- The company **must** inject a minimum of 10% equity into the project.
- The company must be financially sound, present evidence that the company can repay the debt, and must not have defaulted on any previous loan from the State or Federal Government.

Proceeds may be used to finance land, building and depreciable fixed assets ("R&D Project"). Loan proceeds may not be used for working capital, debt refinancing or rolling stock.

TERMS:	Maximum term: 10 years or estimated useful life of the project, whichever is less.
AMOUNT:	Maximum loan amount: 50% of total project cost up to \$750,000 per project. Minimum loan amount: \$250,000.
RATE:	Interest rate on the most recent 20-year general obligation bonds occurring prior to the date the loan is made.
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

Other state finance programs including Community Development Block Grants may not be used to finance the remaining cost of the R&D Project.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-34, Ms Code 1972, Annotated

RURAL IMPACT FUND LOAN PROGRAM (RIF)

The Mississippi Rural Impact Fund Program (RIF), administered by the Mississippi Development Authority (MDA) is designed to assist and promote businesses and economic development in rural areas by providing loans to rural communities (Local Entities) and loan guarantees to rural businesses (Businesses).

ELIGIBILITY

Rural Community – a municipality with a population of 10,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the municipality; or, a county with a population of 30,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the county.

Rural Business – means a new or existing business located or to be located in a rural community; or, a business or industry located or to be located within five miles of a rural community.

ELIGIBLE PROJECTS

Eligible projects financed with RIF must be publicly owned with the exception of loan guarantees to rural businesses. Eligible projects include, but are not limited to:

- Construction, rehabilitation or repair of building;
- Sewer systems and transportation directly affecting the site of the proposed rural business; Sewer facilities;
- Acquisition of real property, development to real property, improvements to real property;
- Any other project approved by MDA, and
- Loan guarantees to financially sound Rural Businesses not to exceed eighty percent (80%) of the principal loan amount.

Eligible Projects must have a direct connection in creating jobs. All projects funded should create a minimum of ten (10) net new full-time jobs. The program intent is to stimulate job creation and economic development in rural communities in the State.

AMOUNT:	Maximum LOAN amount:\$200,000 for rural community Maximum LOAN guarantee: \$200,000 on 80% loan guarantees
FUNDING:	Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional information.

MDA Rural Impact Program
Post Office Box 849
Jackson, Mississippi 39205
Telephone: (601) 359-3179

Statute: Section 57-85-1, Ms Code 1972, Annotated

GRANT PROGRAMS FOR COMMUNITIES

COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM (CDBG)

The Community Development Block Grant program (CDBG) helps communities realize their potential by providing funds necessary to ensure decent housing, basic community services, environmental quality and economic opportunities for their residents. The State CDBG Program makes funds available to incorporated municipalities and county governments that show a genuine need for specific projects and can meet the program's state and federal eligibility requirements. In accordance with the Community Development Act of 1974, as amended, project activities must meet at least one of the following national objectives:

- Benefit low- and moderate-income persons;
- Aid in the prevention or elimination of slums or blight;
- Meet urgent needs because existing conditions pose a serious and immediate threat to the health or welfare of the community and other financial resources are not available to meet such needs.

A local unit of government may apply for CDBG funds in the Public Facilities, Economic Development and Mississippi Micro-Enterprises Development Demonstration categories.

The Public Facilities category provides funding for public improvements such as water, wastewater, drainage, streets, and certain public buildings. This category includes a Regular Competition for funds as well as a Small Government and Emergency Set Asides, and Community Self-Help Program. Some Public Facilities projects may be funded under the stringent Urgent Needs/Emergencies national objective. An Urgent Needs/Emergencies project must prove a particular urgency because existing conditions pose a serious and immediate threat to the health or welfare of the community and meet other criteria such as the date of occurrence of the emergency condition.

The [Economic Development](#) category provides funding to local units of governments for eligible infrastructure improvements in the support of business start-ups and expansions. Job creation is the key to CDBG-assisted economic development. Economic Development Public Improvements subcategory provides grants to local governments on behalf of businesses for the provision of needs such as water, sewer, and access roads. Economic Development Loans may be used for capital improvements, equipment or working capital at the discretion of the Community Services Division

The [Self-Help](#) Category provides funding for public improvements such as water, wastewater, downtown improvements and recreational improvements.

The [Mississippi Micro-Enterprises Development Demonstration](#) category provides funding in support of Micro-Enterprise business endeavors. Grants are awarded to eligible units of local government that are then loaned to specific for-profit businesses, or local units of government may contract with an eligible non-profit organization that is directly involved with Micro-Enterprise development.

For more information contact:

Community Services Division

Telephone: 601.359.3179

Fax: 601.359.9311

community@mississippi.org

SMALL MUNICIPALITIES & LIMITED POPULATION COUNTIES GRANT PROGRAM

The Mississippi Small Municipalities and Limited Population Counties Grant Program, administered by the Mississippi Development Authority (MDA), is designed for making grants to small municipalities and limited population counties or natural gas districts to finance projects to promote economic growth in the State of Mississippi.

ELIGIBILITY

- Small Municipality – a municipality with a population of 10,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the municipality.
- Limited Population County – a county with a population of 30,000 or less, according to the most recent federal decennial census, at the time the application is submitted.
- Natural Gas Districts – districts created by law and meeting the same requirements as small municipalities.

ELIGIBLE PROJECTS

- Eligible projects must be publicly owned.
- All contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality or county.
- Program funds may not be used for working capital, for general expenditures, which would normally be covered under a local sponsor general operation budget, or for administrative expenses.
- Professional services (engineering/architectural cost) will be limited to 10% of the grant award amount.

Eligible projects include, but are not limited to:

- Drainage systems;
- Utilities such as water supply systems and gas supply systems;
- Sewer systems (pipe treatment);
- Transportation facilities directly affecting the site, including roads, bridges, rail lines, or pipelines;
- Marine structures;
- Land purchases and improvements;
- Airfield and Airport improvements;
- Acquisition and improvements of buildings

TERMS: Grant agreement must be signed within 6 months of the Grant Award Date and Requests for Reimbursement must be submitted to MDA within one year from date the Grant Agreement is signed.

AMOUNT: Maximum GRANT amount: \$150,000 per local sponsor per calendar year.

RATE: N/A

FUNDING: Funding for grants to Local Sponsors is derived from appropriations or funds otherwise made available by the State Legislature.

To apply for this program, the eligible entity should contact MDA for an application.

Statute: Section 57-1-18, Ms Code 1972, Annotated

RURAL IMPACT FUND GRANT PROGRAM (RIF)

The Mississippi Rural Impact Fund Grant Program (RIF), administered by the Mississippi Development Authority (MDA), is designed to assist and promote businesses and economic development in rural areas by providing grants to rural communities (Local Entities).

ELIGIBILITY

Rural Community – a municipality with a population of 10,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the municipality; or, a county with a population of 30,000 or less, according to the most recent federal decennial census, at the time the application is submitted by the county.

Rural Business – means a new or existing business located or to be located in a rural community; or, a business or industry located or to be located within five miles of a rural community.

ELIGIBLE PROJECTS

Eligible grant projects financed with RIF must be publicly owned. All contracts and purchases must be made in accordance with normal bid and purchase laws of a municipality or county.

- Construction, rehabilitation or repair of building;
- Sewer systems and transportation directly affecting the site of the proposed rural business; Sewer facilities;
- Acquisition of real property, development to real property, improvements to real property;
- Any other project approved by MDA

Eligible Projects must have a direct connection in creating jobs. All projects funded should create a minimum of ten (10) net new full-time jobs. The program intent is to stimulate job creation and economic development in rural communities in the State.

AMOUNT:	Maximum GRANT amount: \$150,000
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FUNDING:	Funding is derived from the issuance of state general obligation bonds.
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The local entity defined as a rural community should contact MDA Community Services for an application for this program.

For more information contact:

Mississippi Development Authority
Rural Impact Program
Community Services Division
Post Office Box 849
Jackson, Mississippi 39205
Telephone: (601) 359-3179

Statute: Section 57-85-1, Ms Code 1972, Annotated

**LOAN
PROGRAMS
FOR
COMMUNITIES**

AIRPORT REVITALIZATION REVOLVING LOAN PROGRAM

The Mississippi Airport Revitalization Revolving Loan Program, administered by the Mississippi Development Authority (MDA), is designed for making loans to airport authorities for the construction and/or the improvement of airport facilities located in Mississippi.

ELIGIBILITY

Eligible entities include county and municipal airport authorities authorized to operate in the State of Mississippi.

ELIGIBLE PROJECTS

Projects must be directly related to the airport facility and are limited to construction, expansion, improvements, rehabilitation, or repair of airport facility.

Examples of projects may include:

- Drainage systems
- Energy facilities (power generation and distribution)
- Sewer systems (pipe treatment)
- Transportation facilities directly affecting the site, including roads, sidewalks, bridges, rail lines, rivers, pipelines, or runways
- Buildings
- Water supply systems (storage, treatment, and distribution)
- Equipment necessary for airport operation
- Land improvements

TERMS: Maximum term: 10 years

AMOUNT: Maximum loan amount: \$750,000 per project.

RATE: 3% Per Annum

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-41, Ms Code 1972, Annotated

BUSINESS INCUBATOR LOAN PROGRAM

The Mississippi Business Incubator Loan Program (Incubator Loan Program), administered by the Mississippi Development Authority (MDA) is designed to assist local governments in the establishment of business incubator facilities in the State of Mississippi.

ELIGIBILITY

All applications for funding under this program must be made by a local government. Local governments are defined as any county, incorporated city or town.

Business Incubator

A business incubator is any existing or to be constructed facility, housing an enterprise support network, that contains shared services and equipment. The purpose of the facility is to enhance the process of local economic development through the creation of jobs and the fostering of an environment that is conducive to business start-ups.

- The facility must be for multi-tenant commercial or light industrial usage
- The facility must be dedicated to the development of an identified market of entrepreneurial activity. A feasibility study identifying that market is required.

ELIGIBLE PROJECTS

Loan proceeds may be used for financing all project costs associated with the development of an incubator, including fixed assets, professional fees related to the construction of the project, and purchase of machinery and equipment.

TERMS: Maximum term: 20 years for land and building and 10 years for machinery, equipment, and all other eligible expenditures.

AMOUNT: Maximum Loan amount: \$500,000.

RATE: Interest rate: 3.0% Fixed

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-34, MS Code 1972, Annotated

PORT REVITALIZATION REVOLVING LOAN PROGRAM

The Mississippi Port Revitalization Revolving Loan Program, administered by the Mississippi Development Authority (MDA), is designed for making loans to state, county, or municipal port authorities for the improvement of port facilities to promote commerce and economic growth in the State of Mississippi.

ELIGIBILITY

State, county, and municipal ports authorized to operate in Mississippi.

ELIGIBLE PROJECTS

Eligible projects must be directly related to the port facility and are limited to construction, expansion, improvements, rehabilitation, & repair of:

- Dock and channel sites to include dredging
- Drainage systems
- Energy facilities (power generation and distribution)
- Sewer systems (pipe treatment)
- Transportation facilities directly affecting the site, including roads, sidewalks, bridges, rail lines, rivers, or pipelines
- Building
- Water supply systems (storage, treatment, and distribution)
- Marine structures
- Equipment necessary for port operation
- Land improvements

Loan funds may not be used for working capital by the port facility, or to provide facilities for utilization by a gambling vessel.

TERMS: Maximum term: 10 years

AMOUNT: Maximum loan amount: \$750,000 per project.

RATE: Interest rate of 3% Per Annum.

FUNDING: Funding is derived from the issuance of state general obligation bonds.

To apply for this program, the eligible entity should contact MDA for additional program information.

Statute: Section 57-61-41, Ms Code 1972, Annotated

OTHER FINANCE PROGRAMS

APPALACHIAN REGIONAL COMMISSION (ARC)

Mississippi participates in the [Appalachian Regional Commission](#) (ARC). ARC is a partnership of federal, state and local governments that serves portions of 13 states. The Mississippi ARO is located in the Mississippi Development Authority's Regional Office in Tupelo, and its staff works to fulfill the mission of the ARC program, the Governor's state ARC plan, and the economic development goals and objectives of MDA.

The Mississippi ARO works in a collaborative manner with local planning and development districts (PDDs), economic development organizations, local communities, and other state agencies in the development of eligible projects to address the needs in the 24 Mississippi ARC counties. ARC supports counties in the northeast and east central portion of the state; approximately 616,000 of its 2.8 million residents live in this rural corner of Mississippi.

Mississippi Appalachian Development Plan

ARC provides matching funds for projects in numerous areas under two broad themes:

1. Increase private sector and high wage jobs across the MS Appalachian Region.
2. Develop sustainable communities with high quality of life throughout the Mississippi Appalachian Region.

ARC also has funding available for a special regional initiative in Asset Development.

The Mississippi counties served by ARC are Alcorn, Benton, Calhoun, Chickasaw, Choctaw, Clay, Itawamba, Kemper, Lee, Lowndes, Marshall, Monroe, Montgomery, Noxubee, Oktibbeha, Panola, Pontotoc, Prentiss, Tishomingo, Tippah, Union, Webster, Winston, and Yalobusha.

The Mississippi ARO will write each Mississippi Appalachian Local Development District (PDD) in May of each year and solicit project applications for review and consideration. The invitation letter will list funding limitations, project criteria, and any other relevant material to be used in consideration for that particular year's annual cycle. All project applications are due at the ARO in Tupelo by September 1 of each year. Additional information on the application process can be found at <http://www.mississippi.org/content.aspx?url=/page/3019&>. Projects identified as priority will be submitted to ARC-Washington for funding purposes. PDD's will be notified of the projects included in the submission to ARC-Washington.

ARC participation costs will be limited to 50% of project costs, with the following exceptions: For projects located in ARC designated distressed counties, the maximum grant will be 80% of project costs.

ARC assistance for multi-county projects in which at least half the counties are distressed may be increased to as much as 80% of project costs; if at least one, but less than half, of the counties area distressed, ARC assistance is limited to the higher of 50% or the average percentage applicable to the counties in the project.

For additional program information contact the MDA Asset Development Group, Appalachian Regional Office by phone at 662.844.5413

DELTA REGIONAL AUTHORITY (DRA)

The Delta Regional Authority is a federal-state partnership serving a 240 county/parish area in an eight-state region. Mississippi Development Authority's (MDA) Office of Strategic Initiatives coordinates Mississippi activities and grants in Mississippi's 45 DRA counties.

MDA works collaboratively with local planning and development districts (PDDs), economic development organizations, local communities, and other state agencies in the development of eligible projects to address the needs in the 45 Mississippi DRA counties. The PDD's play an active and essential part by preparing applications that are consistent with the DRA Code, guidelines, and plans.

Mississippi Delta Region Development Plan

1. Increase private sector and high wage jobs across the Mississippi DRA Region.
2. Develop sustainable communities with high quality of life throughout the Mississippi Delta Region.

Under federal law, at least 75 percent of the funds must be invested in distressed counties and parishes and pockets of poverty, with 50 percent of the funds earmarked for transportation and basic infrastructure improvements. Participating DRA States are Alabama, Arkansas, Illinois, Kentucky, Louisiana, Mississippi, Missouri, and Tennessee.

MDA ensures that these federal funds are used to economic and community development on the following activities:

- Basic public infrastructure in distressed counties and isolated areas of distress.
- Transportation infrastructure for the purpose of facilitating economic development in the region.
- Business development, with emphasis on entrepreneurship.
- Job Training or employment related education, with emphasis on use of existing public educational institutions located in the region.

Mississippi Counties served by DRA are Adams, Amite, Attala, Benton, Bolivar, Carroll, Claiborne, Coahoma, Copiah, Covington, DeSoto, Franklin, Grenada, Hinds, Holmes, Humphreys, Issaquena, Jefferson, Jefferson Davis, Lafayette, Lawrence, Leflore, Lincoln, Madison, Marion, Marshall, Montgomery, Panola, Pike, Quitman, Rankin, Sharkey, Simpson, Sunflower, Tallahatchie, Tate, Tippah, Tunica, Union, Walthall, Warren, Washington, Wilkinson, Yalobusha, and Yazoo.

For further information on the Mississippi Delta Regional Plan go to <http://www.mississippi.org/content.aspx?url=/page/DRA&>

MISSISSIPPI BUSINESS FINANCE CORPORATION (MBFC)

The Mississippi Business Finance Corporation (MBFC) administers a variety of finance programs designed to assist businesses in locating or expanding in the state. MBFC provides companies an opportunity to review all financial programs through one source. MBFC works with other public entities and the private sector to coordinate efforts to stimulate both commercial and industrial development. The following information is provided as an overview of the finance programs available through MBFC, MDA, and local units of government.

Programs available through the Mississippi Business Finance Corporation:

- Industrial Development Revenue Bond Program
- Small Enterprise Development Program
- Rural Economic Development Assistance Program

Industrial Development Revenue Bond Program

The Industrial Development Revenue Bond Program reduces the interest costs of financing projects for companies through the issuance of both taxable and tax-exempt bonds. Additionally, ad valorem and sales tax exemptions are granted in conjunction with this type of public financing.

The bonds must be secured by an irrevocable, direct-pay letter of credit or other credit enhancement acceptable to MBFC.

The proceeds of a bond issue may be used for the acquisition and construction of real property, machinery and equipment, capitalized interest, reserve funds, and a limited amount of the cost of issuance in accordance with provisions of the Internal Revenue Code.

Although there is no restriction on the amount of taxable debt that may be incurred, there is a \$10 million cap on tax-exempt financing. The maximum term of a bond issue will be equal to 120% of the average life of the financed assets or thirty years, whichever is less. The bond purchaser will determine the interest rate. The borrower will pay the costs of issuance and any other applicable fees.

Small Enterprise Development Program

The issuance of state general obligation bonds provides funds for manufacturing and processing companies to finance fixed assets, i.e. land, buildings, new machinery and new equipment at below market interest rates for terms of up to fifteen years.

Although a company may qualify for more than one loan under this program, the aggregate amount loaned to any company cannot exceed \$2 million. Interest rates on these loans are equal to the net interest rate on the bonds issued by the State plus a servicing fee. The borrower will pay the costs of issuance and any other applicable fees.

A project must create a minimum of ten jobs, and loans cannot exceed 90% of the market value of the financed assets. Companies participating in the program will be required to obtain a bank letter of credit guaranteeing the loan.

Rural Economic Development Assistance Program

Companies financing projects through the Small Enterprise Development or Industrial Revenue Bond Programs, which are administered by MBFC, may be eligible to participate in the Rural

Economic Development Assistance Program. The program allows eligible companies to receive credits on Mississippi corporate income taxes.

Mississippi corporate income tax credits will be granted at the end of a company's fiscal year and will be based on the Mississippi tax liability at that time. The amount a company will be required to pay in Mississippi income tax could be reduced by an amount up to the debt service paid during the tax year.

The total amount of tax credits earned may not exceed the annual debt service on the bond issue. These credits may be used to offset up to 80% of the company's state corporate income tax liability.

For more information, go to <http://www.msbusinessfinance.com/>

INDUSTRIAL DEVELOPMENT REVENUE BONDS

The Mississippi Business Finance Corporation ("MBFC") is a public, non-profit corporation with the mission of coordinating a variety of state resources to assist business and industry in obtaining bond financing. The Industrial Revenue Bond Program ("IRB") reduces interest costs of financing projects for companies through the issuance of both taxable and tax-exempt bonds. Sales tax exemptions are granted for this type of public financing. Other significant tax incentives may also be available, including state income tax offsets offered through the Rural Economic Development Assistance Program and ad valorem exemptions.

Most types of commercial businesses are eligible for IRB financing. Proceeds of the bond issue may be used for the acquisition and construction of real property, machinery and equipment, capitalized interest and limited bond issuance expenses.

Only bonds rated investment grade or better will be issued by MBFC. This typically requires that the company obtain a letter of credit from a commercial bank.

LOCAL INDUSTRIAL DEVELOPMENT REVENUE BONDS

Local political entities in Mississippi, including counties, supervisors' districts, incorporated cities and towns, have the authority to issue tax-exempt and taxable industrial development revenue bonds to finance new or expanding industrial enterprises. There is no election approval required unless 20% or more of the entity's electors object to the bond issuance in writing. Ownership of a bond-financed facility is retained by the issuing political entity, which leases it to a company for rental sufficient to pay the annual principal and interest on bonds.

Industrial development revenue bonds can finance up to 100% of total project costs, including land, buildings, fixtures, new equipment, new machinery and professional fees.

Facilities financed by such bonds are allowed up to a ten-year property tax exemption, in addition to being exempt from most sales and use taxes on project related purchases during construction.

GENERAL OBLIGATION BONDS

Local political entities have the authority to issue general obligation bonds for the purpose of acquiring sites and constructing facilities for lease to new or expanding industries with rentals sufficient to amortize the debt service on the bonds.

General obligation bonds carry the full faith and credit of the issuing political entity. As title to the property remains with the political entity issuing the bonds, no taxes, except school taxes, are assessed on the improvements made with the proceeds of such bonds. An agreement is negotiated between the industry and the political entity covering the details of the issuance of the bonds and the lease.

SMALL BUSINESS ASSISTANCE PROGRAM (SBA)

The Mississippi Small Business Assistance Program was established for the purpose of providing funds to qualified entities to establish revolving loan funds to assist small businesses.

ELIGIBILITY

Qualified entities are defined as Mississippi Planning and Development Districts (PDDs), Small Business Investment Corporations, Community Development Corporations, and other similar entities.

A small business is defined as any for-profit commercial enterprise with fewer than 100 full-time employees, less than \$2 Million in net worth or less than \$350,000 in net annual profit after taxes during two of the last three years.

ELIGIBLE BUSINESSES

- Manufacturers
- Processors
- Distributors
- Wholesalers
- Retailers
- Service Providers

TERMS: 15 years - Land/Building
10 years - Machinery/Equipment
5 years - Working Capital
3 years - Purchase of Inventory
Collateral negotiable

AMOUNT: Maximum loan amount: 50% of project or \$100,000, whichever is less.

FEES: MDA requires a 1% servicing fee on State's portion of loan.

RATE: Interest rate: 5% minimum per annum or more than 4% above Federal Reserve discount rate plus service fees.

FUNDING: Funding is funneled through MDA as a revolving loan to PDDs.

To apply for this program, small businesses should contact their local PDD, Small Business Investment Corporations, Community Development Corporations, or other similar entities for additional information on Small Business Assistance Loan Programs.

Statute: 57-10-507; 57-10-511, Ms Code 1972, Annotated