

## HORIZON COUNCIL

The Lee County Horizon Council is a 62-member, public-private board that advises Lee County Commissioners on economic issues. It works to improve Lee County's business environment, retain and encourage expansion of existing businesses and attract new and diversified employment.

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A critical decision many businesses will consider is whether or not to expand now or in the near future. Tied to the decision to expand, is a determination on acquiring the funding necessary to support an expansion.

One lesser-known method of financing is Industrial Development Revenue Bonds (IDRB's). Also known as "private activity bonds," IDRB's are an alternative method of financing used to support and encourage business locations and expansions. Since 1981, the Lee County Industrial Development Authority (IDA) has assisted in the issuance of 66 IDRB's totaling more than one billion dollars.

Industrial Development Revenue Bonds provide a source of long-term, below-market-rate financing and are regulated by Florida state statute and the Internal Revenue Service. Although two types of bonds can be issued, taxable and tax-exempt, most qualifying projects prefer tax-exempt bonds. IDRB's are securities sold to investors with the proceeds used to finance a particular project. The borrower pays the principal and interest on the debt. Because the interest is exempt from federal income tax, the rate on this type of financing is generally lower than conventional debt financing.

Bonds can be used for construction, demolition, new machinery and equipment, land purchase (up to 25% of the bond value) and other specified items as defined by state statute. A few specific projects that are potentially eligible for taxable or tax-exempt bonds are: manufacturing and industrial plants, research and development parks, corporate headquarters, Enterprise Zone commercial projects, health care facilities and educational facilities.

In Lee County, IDRB's are approved by the Lee County Industrial Development Authority (IDA). Established in 1975 by state statute, the IDA is a seven-member board appointed by the Board of County Commissioners. The IDA evaluates requests for IDRB's based on the ability of the proposed project to produce tangible economic benefits to Lee County in the form of new employment, preservation of existing employment and/or new capital investment. The IDA members are: Chair, David Barton; Vice-Chair, Tom Hoolihan; Secretary, Gail Markham; Treasurer/Assistant Secretary Mike Geml; and members Steve Maxwell, Doug Gyure, and Ric Pritchett.

Additional information on Industrial Development Revenue Bonds is available on the Lee County Economic Development web site at [www.leecountybusiness.com](http://www.leecountybusiness.com) or by calling the Economic Development Office at (239) 338-3161.

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