



# ARKANSAS DEVELOPMENT FINANCE AUTHORITY

## SPECULATIVE INDUSTRIAL BUILDING LOAN PROGRAM

### PROGRAM SPECIFICATIONS:

LOAN AMOUNT: \$1,000,000 maximum

PARTICIPATION: ADFA will be limited to 50% of project cost, not to exceed a Maximum Loan Amount of \$1,000,000. By waiver and exception only, the Project Participation by ADFA can be 75% of project costs if tax revenues by the local taxing authority are dedicated to the local EDC as to priority payment to support the project

TERMS: 3-year balloon based on a 15-year amortization

*Once a tenant occupies the building and or when the building is leased, the Speculative Industrial Building Loan is due and payable in full.*

NOTE: Once this condition exists, a permanent take out end loan can be arranged with ADFA via one of our programs subject to meeting our normal credit review and underwriting requirements.

INTEREST RATE: The rate on the ADFA Speculative Industrial Building loan will be at ADFA borrowing rate + 300 basis points for the fixed, balloon or adjustable period of the note; For projects requiring funding past the initial term, interest rates will be reset at or slightly below current fair market lending rates, not to exceed the usury limit

COLLATERAL: First mortgage on land and buildings. Can be shared with other participating lenders

LENDER: Arkansas Development Finance Authority

ELIGIBLE

BORROWERS: Qualified local industrial development corporations

### BUILDING CRITERIA AND SPECIFICATIONS:

DIMENSIONS: Maximum 125,000 square feet Minimum 40,000 square feet

LOT SIZE: Ten acres at a minimum. Should be at least 15 acres for an initial building size of 60,000 square feet or more. Lot must be an Industrial park or at an industrial site served by utilities (water, sewer, gas and electric)

- ACCESS: A hard-surfaced road must serve Site suitable for over-the-road trucks
- SITE
- PREPARATION: Shall be approved by an Arkansas licensed and registered engineer as suitable for the type of construction planned
- EXPANSION: The site must be graded and prepared for expansions double the size of the building. Consideration should be given for future truck dock locations
- CONSTRUCTION
- TYPE: Can be either pre-engineered steel or concrete tilt-up and must be certified by an Arkansas licensed engineer or architect
- FOUNDATION
- TYPE: Should be concrete, spread footing or drilled pier and designed to support load imposed by the building and future collateral loads
- LOADS: Building loads must be designed to conform to the latest edition of the Southern Building Code, plus an additional five pounds per square foot of collateral load for future suspended installations
- FLOORS: Must be designed for up to six-inch reinforced concrete. Building can be built without a floor but must have a two-inch gravel base in place
- EAVES HEIGHT: Eaves should be constructed to a minimum “clear height” of 25 feet
- DOORS: To maintain flexibility, while providing access, only a minimal number of doors should be installed in initial construction
- INSULATION: Installation of roof insulation to a minimum of R-6 is required
- VENTILATION: Adequate ventilation should be installed during initial construction to prevent condensation
- CONTRACTORS: Subject to approval of borrower and ADFA
- ENVIRONMENTAL
- ASSESSMENT: Preliminary environmental assessment should be provided prior to funding of the building by ADFA, in order to limit potential liability for environmental clean-up

**TARGETED PROJECTS:**

- INDUSTRIES: Manufacturing, Knowledge Based Industry, Technology, Research and Development, Computer Software Programming and other Service based industries