

# APPLICATIONS FOR PROJECTS SEEKING RECOVERY ZONE BOND FINANCING IN INGHAM COUNTY MICHIGAN

**DUE DATE: NOVEMBER 20, 2009 NO LATER THAN 2:00 PM**

*Applications received after this date will be held for consideration  
under future potential bond allocations.*

*By Ingham County Economic Development Corporation  
121 E. Maple Street, Mason, MI 48854  
517-676-7285 Fax (517) 676-7358  
spigg@ingham.org*

*October 31, 2009*

## **INTRODUCTION:**

The Ingham County Economic Development Corporation, on behalf of the County of Ingham, is accepting applications from public and private entities for projects within Ingham County. These projects must be able to demonstrate eligibility for USA Build America Bonds called Recovery Zone Bonds (RZ Bonds) funded by the American Recovery and Reinvestment Act. Information about these bonds is available at these and other web sites:

<http://www.michiganadvantage.org/news/detail.aspx?contentId=7a9c94fb-32ce-404e-818a-bf84ac302b4b>

<http://www.treas.gov/press/releases/tq168.htm>

<http://www.irs.gov/pub/irs-drop/n-09-26.pdf>

The Ingham County Board of Commissioners designated the entire County as a Recovery Zone (RZ) by resolution during their public meeting on October 27, 2009. The RZ Bonds issued through this application process may be used to finance eligible projects within Ingham County.

## **RECOVERY ZONE BONDS- DESCRIPTIONS**

Recovery Zone Bonds will be issued for purposes that promote development or other economic activity in Ingham County's Recovery Zone. This program provides access to tax exempt financing for certain projects that would historically not qualify for tax exempt financing. The bonds are "private activity bonds" and allow private developers to access the tax-exempt municipal bond market to lower their borrowing costs. They also allow municipal or public developers to access a lower interest rate on municipal bonds. The financial institution (the lender) loaning the money to the developer receives a bond designation that exempts the lender from paying federal and state taxes on the interest accrued over the life of the loan to the developer. This is not a loan or a Tax Increment Finance (TIF) program and the County does not provide the financing for these bonds. The risk is borne by the borrower and the lender. Please note that the cost of bond issuance, bonding costs, and other administrative charges will be borne by the applicant. Ingham County has been authorized to allocate \$13,855,000 of Recovery Zone Economic Development Bonds and \$20,782,000 of Recovery Zone Facility Bonds.

**Recovery Zone Economic Development Bonds** are for public projects and are subject to the rules that currently apply to tax-exempt governmental bonds. They must be issued prior to January 1, 2011. The federal government will provide issuers of Recovery Zone Economic

Development Bonds with a refundable tax credit equal to 45 percent of the interest on the bonds. Specifically, proceeds of these bonds may be used for:

- Capital expenditures with respect to property in a Recovery Zone
- Expenditures for public infrastructure
- Construction of public facilities
- Expenditures for job training and educational programs

**Recovery Zone Facility Bonds** are issued for purposes that promote development or other economic activity in Ingham County's Recovery Zone. They are tax-exempt private activity bonds used to make loans to private companies similar to industrial development bonds. They are not tax abatements, nor tax increment financed. They provide the private developer access to the tax-exempt municipal bond market to lower their borrowing costs.

## **GENERAL REQUIREMENTS**

Eligible jurisdictions and private developers are asked to submit applications for eligible projects that they want to finance using Recovery Zone (RZ) Bonds. RZ Bonds must be issued before January 1, 2011, so projects should be ready to execute. Because of bond fees and processing costs, only bonds with an estimated securitized cost of at least \$2,000,000.00 will be considered. Projects must demonstrate their potential for near-term job creation, potential for long-term regional economic benefit, and environmental stewardship.

Please note that the project(s) selected shall comply with all federal, state, and local laws, rules, regulations, and ordinances applicable to its activities and obligations, including the Davis-Bacon Act requirements. Eligibility for this program will be determined by the information presented in this application and changes to the status of the project should be reported to the Ingham County Economic Development Corporation. Ingham County reserves the right to request additional information from any or all applicants. Ingham County reserves the right to accept or reject any and all applications received for this program, to waive irregularities, to conduct discussions with any or all applicants in any manner necessary to serve the best interests of the County and is authorized to issue bonds to finance qualified projects outside of this application process. The Ingham County Economic Development Corporation will consider applications solely on the merits of the hard copy application materials submitted.

## **APPLICATIONS FORMAT**

Applications should be brief and concise. Each application must include the following information in this order:

1. Provide the applicant name, project contact name, DUNS number, address, phone, email and fax.
2. Provide the title and description of the project and its current status.
3. Identify the Bond type, RZ Facility or RZ Economic Development, for which you are applying.
4. Provide the project cost to be financed with the RZ bond. Provide the total project cost and other sources of financing proposed/expected for the project. Please describe how the project will be financed and how the debt will be securitized.
5. For non-municipal or private applicants, please provide a Dunn & Bradstreet credit report issued after October 25, 2009.
6. Explain when you will begin expending the bond revenues for the project.
7. Describe, in general, how the proposed project enhances or improves our Ingham County community and its economy.

8. Now, please specify how the project will create new jobs and/or retain jobs in Ingham County.

Describe how many and what type of temporary jobs will be created and/or retained.

Describe how many and what type of permanent jobs will be created and/or retained.

Describe how the project will be a catalyst for other development in the area.

Describe how the project may redevelop a Brownfield, reuse infrastructure, complement regional public transit, or offer other sustainable and environmentally considerate activities.

Describe how this project will create or save tax revenues for the County and/or local municipality.

**APPLICATION FEE:** A \$500.00 non-refundable application fee shall be submitted with each application. Separate applications for each project and/or RZ Bond are required. Ingham County shall not be responsible for costs incurred by the applicant in preparing or submitting an application nor any requested supplemental information.

**SUBMISSIONS:** Please submit complete applications with application fee before **2:00 PM, Friday November 20, 2009**. Applications received after this deadline will be held for future potential consideration.

Applicants must deliver two (2) original copies of the application and one electronic copy (pdf format) with the application fee (checks made payable to Ingham County Economic Development) to:

***Ingham County Economic Development  
MSUE Office  
Room 107, Hilliard Building  
121 E. Maple Street  
Mason, Michigan 48854.***

Electronic copies may be provided by disc or emailed directly to [spigg@Ingham.org](mailto:spigg@Ingham.org) .

Questions concerning this application invitation should be directed to:

Susan M. C. Pigg, Economic Development Educator,  
Ingham County Economic Development,  
121 E. Maple Street, Mason, MI 48854

Tel (517) 676-7285, fax (517) 676-7358  
[spigg@ingham.org](mailto:spigg@ingham.org).