



William D. Sisk, Chairman

Monroe County Board of Commissioners

Representing District 5

332 Armitage · Monroe, Michigan 48162

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December 17, 2009

Dear Local Public Official:

On December 15, 2009, the Monroe County Board of Commissioners adopted a resolution designating the entire geographical boundary of Monroe County as a Recovery Zone whereby allowing the County to assist both public and private financings of investment to facilitate economic growth.

The resolution was adopted as part of the required steps to be taken to allow qualified projects to be financed using subsidized interest costs on borrowing through the issuance of economic development bonds under the American Recovery and Reinvestment Act of 2009 (ARRA) commonly referred to as the Stimulus Act.

The County has been allocated subsidized financing limits for two (2) different types of economic development bonds. A short description of each bond type is as follows:

1. Recovery Zone Economic Development Bonds

- Funding Limit: \$13,237,000
- Qualified Use: For general government purposes

These bonds provide local governments with a financing option for general purposes with subsidized interest costs. These bonds are taxable unlike traditional tax-exempt municipal bonds. In some instances, the market has seen interest rate savings over traditional tax-exempt financing of between 0.5% to over 1%.

Bonds of this type may be used to finance qualified economic development activities as follows and must be issued prior to December 31, 2010:

1. Capital expenditures paid or incurred for property in Recovery Zones.
2. Expenditures for public infrastructure and construction of public facilities in Recovery Zones.

The second type of economic development bond is described as follows:

2. Recovery Zone Facility Bonds

- Funding Limit: \$19,856,000
- Qualified Use: For private activity uses

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These bonds may be used to finance new capital improvements to be owned and used by most any industrial, commercial, retail, office or other business activity located within the designated Recovery Zone. There are certain exceptions to qualified business activity and specific properties.

The debt for these bonds may be serviced directly by the private business that owns and uses the property. However, since the bonds are tax-exempt, they must be issued by a governmental entity and must be issued prior to December 31, 2010.

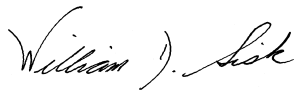
The Monroe County Board of Commissioners has designated the entire County as a Recovery Zone allowing qualified projects to be considered for financing. The next step is to obtain a listing of qualified projects from local officials for further consideration. Again, this would be from qualified general government projects as well as private activity uses.

It is important to remember, this is not stimulus or grant funding. It is simply a mechanism to allow financing of projects at a lower financing cost. Each municipality or private developer or business owner would still be required to service the debt payments and incur the debt based on its own credit. The bonds will not be issued by, or supported by the County of Monroe. In the case of the private activity, a line of credit or the ability to obtain a loan would need to be demonstrated prior to any bond issuance proceeding. Projects to be considered worth the financing costs should have an expenditure of a minimum of \$2 million. Project budgets below this amount would be better served by other financing means.

In order to move this matter to the next step, we are requesting all qualified projects you wish to be considered be submitted to the Office of the Monroe County Board of Commissioners no later than **Friday, January 29, 2010, by the close of business**. Once this deadline passes, the County will determine the need for additional steps to allocate financing limits.

Thank you in advance for your attention to this matter. Should you not have any qualified projects or not wish to be considered further, please send a reply to this effect. If you have any questions about this matter, please feel free to contact Mr. Royce Maniko, Administrator/Chief Financial Officer at telephone number (734)-240-7046 or by e-mail at royce_maniko@monroemi.org.

Sincerely,



William D. Sisk, Chairman
Monroe County Board of Commissioners

Attachments