

**LIVINGSTON COUNTY**  
**RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS**  
**MARCH, 2010**

## **SELECTION CRITERIA**

### **BACKGROUND**

On June 12, 2009, the Internal Revenue Service released Notice 2009-50, (Under Sections 1400-1 through 1400-3 of the Internal Revenue Code) which provides guidance on two new types of bond programs that were enacted under the American Recovery and Reinvestment Act of 2009 (ARRA).

Recovery Zone Economic Development Bonds (public sector projects) and Recovery Zone Facility Bonds (private sector projects) are to provide tax incentive and reduced finance costs for public and private borrowers to generate projects and stimulate economic growth in designated recovery zones. On March 1, 2010, the Livingston County Board of Commissioners approved a resolution designating the entire County of Livingston as a recovery zone to maximize potential qualifying projects. These programs are subject to volume cap limitations and bonds must be issued by **December 31, 2010**.

### **LIVINGSTON COUNTY ALLOCATION**

Livingston County has been issued a volume cap allocation of \$15,844,000 for Recovery Zone Economic Development Bonds. This allocation was determined by federal formula according to relative employment declines in 2008. This bonding will be allocated by the county and used for public projects built within the Livingston County Recovery Zone.

### **ELIGIBLE PROJECTS**

Eligible Recovery Zone Economic Development projects must meet the minimum project requirement of the published IRS guidelines. Projects may include:

- Infrastructure and public building projects including: water and sewer, electric utilities, roads and convention centers.
- Job training
- Education programs

## BOND USE GOALS

It is the intent of Livingston County to protect the public health, safety and welfare of county residents, to stimulate the construction and maintenance of public infrastructure, and to enhance revenue for local government including Livingston County. Any and all costs associated with the processing and distribution of Recovery Zone Bonds must be borne by the applicant. Livingston County will not pledge its full faith and credit for Recovery Zone Bond projects.

Priority use of Recovery Zone Bonds will be given to “shovel ready” projects (ready within 90 days after bonding is complete) that offer the best return on the dollar for strengthening the economy.

## LIVINGSTON COUNTY THRESHOLD CRITERIA

Before project proposal applications can be reviewed, applicants must provide documentation and/or attest to the following criteria:

- A. The applicant must demonstrate a firm commitment from a financial institution or bond underwriter to purchase the bonds demonstrating that the project is credit worthy. Documentation supporting this criterion is required before an application can be accepted for review.
- B. The applicant must be current with all Federal, State, and local government taxes including, but not limited to; business taxes, income taxes, sales and use taxes, employee and employer taxes, real and personal property taxes, service fees, government utility fees, and special assessments.
- C. Approved Recovery Zone Economic Development Bond projects must be bonded by December 31, 2010.

## LIVINGSTON COUNTY PROJECT EVALUATION CRITERIA

Project proposals for tax exempt Recovery Zone Economic Development Bonds meeting the threshold criteria will be reviewed and considered based on the following factors:

- A. The potential that the proposed project investment will result in attracting future investment and enhance additional job growth in the area.
- B. Bond use preference will be given to applicants with a project that is shovel ready (90 days or less after bonding is complete) that offer the best return on the investment and strengthen the local economy.
- C. Proposed projects must demonstrate the consistency of the project with the local government’s Master Plan and Zoning Ordinance and the Livingston County Comprehensive Plan.

- D. Proposed municipal projects must be included in the 2010-2015 Livingston County Capital Improvement Plan.

## **SELECTION PROCESS**

Livingston County Administration and Planning Departments, will review requests for allocation pursuant to federal and county criteria and will make recommendations to the County Board of Commissioners and its Finance Committee.

The decisions to commit or not to commit money from the Recovery Zone Economic Development Bond to any project, and the decisions to transfer money into and out of the fund, are discretionary in nature and may not be appealed.

## **SELECTION TIMELINE**

**Applications Due:**

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