

REQUEST FOR BOARD ACTION

HENDERSON COUNTY

BOARD OF COMMISSIONERS

MEETING DATE: 7 September 2010

SUBJECT: Application for Funding through Recovery Zone Economic Development Bond process

ATTACHMENT(S): Draft extract from Board minutes

SUMMARY OF REQUEST:

Requested is Board approval of the application for state allocation of funding under the Recovery Zone Economic Development Bond ("RZEDB") program. The Board previously elected "Recovery Zone" status for all of Henderson County, so any projects included in the upcoming financing (contracts dealt with on this agenda) could be included.

Adoption of this resolution would **not** require use of RZEDB, but would apply for use of any allocation available from North Carolina. If such an allocation was available to the County, the County could then determine whether use of RZEDB status would make for the best economic "deal" for such financing.

County staff will present further information on this matter.

BOARD ACTION REQUESTED:

Approval of the resolution

If the Board is so inclined, the following motion is suggested:

I move that the Board adoption the Resolution Authorizing Projects to Utilize Recovery Zone Economic Development Bonds.

DRAFT

A regular meeting of the Board of Commissioners of the County of Henderson, North Carolina, was duly held on September 7, 2010 at 9:00 a.m. in the Commissioners' Meeting Room, Henderson County Historic Courthouse, 1 Historic Courthouse Square, Hendersonville, North Carolina. Chairman Willaim Moyer presiding.

* * *

The following members were present:

The following members were absent:

Also present:

* * *

Commissioner McGrady moved that the following resolution (the "*Resolution*"), a copy of which was available with the Board and which was read by title:

**RESOLUTION AUTHORIZING PROJECTS TO UTILIZE
RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS**

WHEREAS, Recovery Zone Economic Development Bonds (RZEDBs) were created by the American Recovery and Reinvestment Act (ARRA) as a financing vehicle for state and local governments to use to finance certain economic development projects in recovery zones created by state and local governments; and

WHEREAS, a state or local government may designate a recovery zone in any area (a) having significant poverty, unemployment, rate of home foreclosures or general distress, (b) any area designated by the issuer as economically distressed because of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990, and (c) any area for which a designation as an empowerment zone or renewal community is in effect; and

WHEREAS, the County has previously designated itself as a recovery zone; and

WHEREAS, RZEDBs must be used to finance qualified economic development purposes, which ARRA defines as "expenditures for purposes of promoting development of other economic activity in a

recovery zone” and includes capital expenditures paid or incurred with respect to property in the zone and expenditures for public infrastructure and construction of public facilities; and

WHEREAS, the County expects to issue installment financing obligations during calendar year 2010 (the “*2010 RZED Bonds*”) to finance the capital costs of a new law enforcement center and renovations to the County’s health department facility (the “*2010 RZEDB Projects*”) and intends to make application to the Tax Reform Allocation Committee for RZEDB allocation in order to borrow such funds as RZEDBs.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COMMISSIONERS OF THE COUNTY OF HENDERSON, NORTH CAROLINA, AS FOLLOWS:

Section 1. That the Board of Commissioners of the County hereby authorizes the 2010 RZEDB Projects as being eligible for RZEDBs and designates the 2010 RZED Bonds as RZEDBs.

Section 2. That the Board of Commissioners of the County hereby authorizes the Finance Director to make application to the Tax Reform Allocation Committee for RZEDB allocation.

That this Resolution is effective on the date of its adoption.

On motion of Commissioner _____, the foregoing resolution entitled “**RESOLUTION AUTHORIZING PROJECTS TO UTILIZE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS**” was duly adopted by the following vote:

AYES:

NAYS:

STATE OF NORTH CAROLINA)
) ss:
COUNTY OF HENDERSON)

I, *Teresa Wilson*, Clerk to the Board of Commissioners of the County of Henderson, North Carolina, ***DO HEREBY CERTIFY*** that the foregoing is a true and exact copy of a resolution entitled “**RESOLUTION AUTHORIZING PROJECTS TO UTILIZE RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS**” adopted by the Board of Commissioners of the County of Henderson, North Carolina, at a meeting held on the 7th day of Septemer, 2010.

WITNESS my hand and the corporate seal of the County of Henderson, North Carolina, this the ___th day of September, 2010.

Teresa Wilson
Clerk to the Board
County of Henderson, North Carolina