

Press Release

HARFORD COUNTY GOVERNMENT

Office of Economic Development



PUBLIC SAFETY

"Ensuring a Safe Harford"

EDUCATION

"Preparing Now, Building for the Future"

EFFICIENCY IN GOVERNMENT

"Governing Smarter"

ECONOMIC OPPORTUNITY

"Growing and Sustaining Harford's Prosperity"

ENVIRONMENTAL STEWARDSHIP

"Protecting Our Environment"

QUALITY LIVING

"Safeguarding What is Important to Harford County Citizens"

FOR IMMEDIATE RELEASE: February 18, 2010

Media Contact: Jim Richardson, Director – 410-638-3059

Office of Economic Development Seeking Interested Business Borrowers for \$15M in Recovery Zone Facility Bond Financing

Recovery Zone designation proposed for Stimulus Bond Funds to Assist Commercial Development Projects

(Bel Air, MD) – The Harford County Office of Economic Development will host a pre-application meeting for businesses interested in the Recovery Zone and Recovery Zone Facility Bond (RZFB) program on Monday, March 1, 2010 at 10:00 AM and Friday, March 5, 2010 at 10:00 AM at the Higher Education Conference Center, Room 130, 1201 Technology Drive, Aberdeen, Maryland.

Each session will include a brief presentation about the proposed Recovery Zone and the guidelines, benefits and requirements to apply for RZFBs, followed by a question and answer session for prospective applicants. To make reservations, contact the Harford County Office of Economic Development by phone at 410-638-3059 or email to kmwajer@harfordcountymd.gov.

Harford County received a \$15.1 million allocation on June 12, 2009 for Recovery Zone Facility Bonds (RZFBs) to assist commercial development projects. The allocation was part of the U. S. Department of the Treasury's announcement on June 12, 2009 of \$25 Billion in direct allocations of Recovery Zone Bond funds to counties and large cities throughout the United States under the American Recovery and Reinvestment Act (ARRA)

Through this program, local businesses and commercial developers can use these bonds to borrow funds from a commercial bank at below market interest rates. The private borrowers are solely responsible for debt service and repayment of the bonds. Harford County will not incur any financial liability as a result of issuance of these tax exempt bonds.

The new program requires the establishment of a specific Recovery Zone prior to issuing bonds and the bonds must be issued by January 1, 2011. Harford County qualifies for the new program as the result of the increase of the unemployment rate, home foreclosures and vacant retail space over the past two years.

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In order to offer the bonds to as many projects and businesses as possible, and meet federal criteria, the Office of Economic Development is requesting that the County Council pass a resolution defining the Harford County Recovery Zone as being the area referred to as the Priority Funding Area (PFA) as defined in the County's Master Plan. The Council will hold a hearing and vote on the Recovery Zone designation at its March 2, 2010 meeting.

The RZFBs are more flexible than existing tax-exempt bonds and can be used to finance commercial projects, including office buildings and manufacturing projects. Residential housing is ineligible. All projects must be valued at a minimum of \$1 million. The private borrower must be creditworthy, with a Letter of Intent provided by the underwriting bank.

Copies of the Fact Sheet, Guidelines and Application will be available on the County's Economic Development website following the informational meeting on March 1, 2010:
www.harfordbusiness.org.

For additional information contact: jcrichardson@harfordcountymd.gov or kmwajer@harfordcountymd.gov.