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GWINNETT DESIGNATED A RECOVERY ZONE, RECEIVES LARGEST BOND AMOUNT

\$62 million in bonding capacity awaits qualified businesses in Gwinnett

Gwinnett County announces its county-wide designation as a recovery zone, standing ready to provide a tax exempt financing opportunity for \$62 million in bonds to qualified businesses. Created by the American Reinvestment and Recovery Act, the new Recovery Zone Bonds (RZBs) are designed to help local governments finance public economic development projects and private development activities. Gwinnett County received the largest allocation of RZBs in Georgia totaling \$103 million. This fund allocation will help Gwinnett County and Partnership Gwinnett attract quality new businesses to the area and assist existing companies with expansion plans.

Dr. Alfie Meek, Economic Analysis Director for Gwinnett County said, "Gwinnett's recovery zone designation is strategic to economic development and business attraction. These bonds are a tremendous tool to assist businesses who have significant up-front investment requirements to expand or relocate by lowering their cost to borrow money. It's a great development for Gwinnett and we look for it to enforce our already strong and proactive economic development efforts through Partnership Gwinnett."

Under the program, the U.S. Treasury provides a direct payment equal to a 45% interest subsidy to the issuer. The borrower's interest rate would be reduced by 150 to 200 basis points resulting in a 1 ½ - 2% decrease in interest rates. Two types of bonds have been created: Economic Development Bonds cover County infrastructure projects (\$41 million), while Private Facility Bonds (\$62 million) target eligible private development activities. Bonds must be used by the end of 2010. To learn more about the program, including what types of projects qualify, those interested should contact Alan Durham, Gwinnett County's Economic Development Manager at (678) 518-6219. (One important note: this program is not a grant; financing recipients must have already collaborated with a lender that will underwrite the bonds. Gwinnett County does not finance or guarantee Recovery Zone Bonds, and the full faith and credit of the County government will not be pledged through the bond underwriting process.)