

April 1, 2010

Name and Title of Official
Name of Local Government or Business
Address
City, State, Zip Code

Subject: Recovery Zone Bonding Use Reminder

Dear *Sir Name*:

We are writing to issue a reminder as to a pending July 1, 2010 deadline that will require local governments receiving Recovery Zone bond volume cap to declare if they have already issued Recovery Zone bonds. If they have not issued the bonds, then by July 1, 2010 they are required to evidence to the Department their ability to issue Recovery bonds by the Recovery Zone bond issue date deadline of December 31, 2010.

A number of city and county governments have already received Recovery Zone bonding authority either from the US Treasury or the State of Nebraska. Both recipients are required to provide evidence to the State of Nebraska – Department of Economic Development that they will be able to issue Recovery Zone bonds intended to fund public infrastructure (Economic Development) or private activity (Facility) projects. If satisfactory evidence is not received by July 1, 2010, the State of Nebraska will consider the original allocation waived in favor of the State. Governor Heineman will reallocate the waived bonding authority after the July 1, 2010 deadline. The initial applications not receiving any State directed volume cap, and new applications received between December 4, 2009 and July 1, 2010 will be considered for new volume cap after the July 1st deadline.

Local governments, working with project representatives will be asked to provide the following kinds of evidence demonstrating they have issued, or have a realistic expectation of being able to issue Recovery Zone bonds by the December 31, 2010 deadline.

- Evidence that the bond(s) have already been issued OR
- Evidence the local government has already designated the Recovery Zone AND
- Evidence an eligible project will take place within the designated Recovery Zone
- A written project status report that suggests the bonds can and will be issued by December 31, 2010.
- Evidence the bonds will be marketable, and all of the project costs can be funded either in the Recovery Zone Bond or through other means

The Department anticipates that this evidence will be provided by engineers, attorneys, investment brokers, legal counsel, and like experts. All correspondence can be directed to the attention of Stew Jobs or Gary Hamer at P.O. Box 94666 – 301 Centennial Mall South, Lincoln, NE 68509-4666. Questions may be directed to either person by calling (800) 426-6505 or (402) 471-3111.

Respectively,

Richard J. Baier
Director