



NORTH CAROLINA
DEPARTMENT OF STATE TREASURER
STATE AND LOCAL GOVERNMENT FINANCE DIVISION
AND THE LOCAL GOVERNMENT COMMISSION

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Memorandum #2010-9

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TO: Officials of Local Governments and Public
Authorities and Their Independent Auditors

FROM: Tim Romocki, Director
Debt Management Section

SUBJECT: Sample Resolution for Declaring a Recovery Zone Necessary for Issuance of
Recovery Zone Economic Development Bonds or Recovery Zone Facility Bonds

Previous memoranda #1161, #1131 and #2101-6 from our office provided information on the allocations and issuance of Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds. Recovery Zone Economic Development Bonds must be spent for capital expenditures and public infrastructure for the purpose of promoting development or other economic activity in a recovery zone. Recovery Zone Facility Bonds can be used to finance almost any private capital investment in areas designated as "Recovery Zones." Recovery zones are areas designated by an issuer as:

- a) having significant poverty, unemployment, home foreclosure rate or general distress, or
- b) being economically distressed due to Base Realignment and Closure, or
- c) being designated an empowerment zone or renewal community.

In order for local government units and authorities to be eligible to issue either Recovery Zone Economic Development Bonds or Recovery Zone Facility Bonds, a unit or authority's governing body must take formal action by resolution designating a specific area (or the entire County) as a "recovery zone." Attached is a sample resolution that has been provided by a bond counsel that units may use to designate a recovery zone if a unit plans to issue either type of these bonds. As noted in a previous memorandum, it is important that a recovery zone be designated at the earliest possible date when considering an issuance of either of these types of bonds. It is also always advisable for units to consult their own bond counsel when considering project financings of this type.

Our staff is available to provide additional information to units or authorities who may have an interest in or the need for these types of financings or who may have questions regarding these bonds. For more information related to debt issues, please contact Jim Baker at (919) 807-2370 or jim.baker@nctreasurer.com or Tim Romocki at (919) 807-2360 or tim.romocki@nctreasurer.com.

THE BOARD OF COMMISSIONERS OF THE COUNTY OF _____

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