Ohio | Department of Development

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Ted Strickland
Governor

Lee Fisher
Lieutenant Governor

Lisa Patt-McDaniel
Director

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Ohio's American Recovery and Reinvestment Act Recovery Zone Bonds Top the Chart

Preliminary Reports Show Ohio's Bond Percentages Highest Across Country

Columbus, Ohio – Preliminary reports indicate that communities in Ohio sold 75 percent and 82 percent of two types of "Recovery Zone Bonds" issued by the federal government. Bond sales for Ohio projects are significantly higher than national averages, indicating that businesses are taking advantage of programs that help improve their cities and counties.

Recovery Zone Bonds are intended to provide a lower cost method of financing to public and private economic development projects in high unemployment and economically distressed areas. The American Recovery and Reinvestment Act includes new and expanded bonding authority for states and local governments targeted toward primary and secondary education and alternative energy in economically distressed communities.

The two types of bonds are Economic Development Bonds (96 percent of the state's allocation sold, with minor items pending) and Facility Bonds (82 percent of which were sold, with minor items pending). Ohio was allocated $422.6 million in Recovery Zone Economic Bonds and $634 million in Recovery Zone Facility Bonds. Final figures are expected to be in by the first quarter 2011.

"Ohio's diligence in the allocation and sale of the Recovery Zone Bonds builds upon the state's existing efforts to improve facilities and help grow Ohio's economy," said Lisa Patt-McDaniel, Director of the Ohio Department of Development. "The high percentage reported is just another example of how Ohioans are working together to revitalize some of our distressed communities."

"Ohio is one of just one of a handful of states that has been able to put these resources to use effectively," said Toby Rittner of the Council of Development Finance Agencies. "In general, we anticipate that less than 25 percent of the recovery zone facility bonds will be issued nationwide, while roughly 75 percent of recovery zone economic development bonds will have been issued once the final figures are tallied."

"These programs were not renewed by Congress and have expired, but have proven to be highly successful in catalyzing economic development and investment into infrastructure and private development," Rittner added. "States like California, Illinois, New York, Wisconsin, Michigan and Ohio have been able to rally behind these programs to put these valuable financing tools to use. CDFA will be working in 2011 to build from these successful programs and continue to educate state and local leaders on the benefits of bond financing for economic development efforts."

Recovery Zone Bonds are a type of taxable Build America Bond that allows state and local government issuers to access lower borrowing costs. These bonds can be used to finance a broad range of qualified economic development purposes, including public infrastructure and facilities, job training, and educational programs, while satisfying government requirements of tax-exempt bonds.

For more information about the Recovery Zone Bonds, visit:

http://recovery.ohio.gov/opportunities/bonds/

*Working with partners across business, state and local governments, academia, and the nonprofit sector, the **Ohio Department of Development** works to attract, create, grow, and retain businesses through competitive incentives and targeted investments. Engaged every day in marketing, deal-making, innovating, investing, and collaborating, the **Ohio Department of Development** works at the speed of business to accelerate and support the teamwork that is necessary for success by providing financial, informational, and technical assistance to those making an investment in Ohio's future.*

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Media contacts: Bethany McCorkle at (614) 466-6619 or
the Communications and Marketing Office at (614) 466-2609