

**Memorandum**

To: All Mayors, County Commission Chairs and Development Authority Directors

From: Mike Beatty, Commissioner 

Date: May 14, 2010

Subject: RZB Request for Extension

On August 21, 2009, we wrote you regarding the US Department of Treasury's allocation of Recovery Zone Bonds (RZBs). In that memo you were notified that the allocation would be deemed waived if you did not provide the Department of Community Affairs (DCA) with a Notice of Intent to Issue. Subsequently we received your Notice of Intent to Issue.

In that memo you were also notified that pursuant to Georgia State Financing and Investment Commission procedures that any RZB allocation that is not issued by July 1, 2010 will be deemed waived and will be automatically recaptured for re-allocation to other issuers within the State.

The purpose of this letter is to remind you of the June 30, 2010, deadline and to let you know that a one-time 60 day extension of that deadline will be considered. If you would like to qualify for that extension, the following documentation must be provided to DCA no later than June 30, 2010.

- A signed copy of the inducement resolution with respect to the bonds and the project which are the subject of the RZB allocation.
- A copy of the approval of the governmental unit or governmental units required by Section 147(f) of the Internal Revenue Code.
- A written opinion of legal counsel, addressed to the department, to the effect that the bonds which are covered by the application will, based upon the information available at that time to such legal counsel, qualify as recovery zone economic development bonds or recovery zone facility bonds, as applicable, when issued.
- A written letter of intent from a lender, financial institution, underwriter, investment banker, or other purchaser, addressed to DCA, to purchase the bonds upon satisfaction of such conditions as set forth in the letter of intent and feasible market conditions at the time of delivery by the issuer.

In the discretion of DCA, this requirement may be waived in the event an officer of the issuer certifies, in writing, that the bonds subject to the application will be issued on a competitive bid basis.

- A certification signed by both the Issuer and Borrower/Issuer that the bonds will be issued no later than August 31, 2010.
- If you are unable to meet any or all of the above criteria due to an ongoing application process or other reason, please provide a detailed explanation for DCA's evaluation.
- DCA reserves the right to request additional information.

A copy of the request for extension application form and a copy of this memorandum can be found under downloads and related links at <http://www.dca.ga.gov/economic/financing/programs/rzb.asp>

Should the bonds not be issued by the June 30, 2010, deadline, or if an extension is not granted, GSFIC pursuant to O.C.G.A. 50-17-22(d)(6)(B)(vi) will deem as waived such allocations.

Contact Bobby Stevens at 404-679-4943 if you have questions.

MB