

Jackson County will give about \$23.5 million in federal bonds back to the state after the money was not assigned to local projects

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Time has run out for businesses and public institutions to take advantage of a federal program meant to help provide financing for projects that could boost the economy.

Jackson County will give about \$23.5 million in federal bonds back to the state after they were not assigned to local projects.

The Recovery Zone Bond Program, which was part of the American Recovery and Reinvestment Act, started last year and made bonds available to businesses or public entities looking to complete expansion or improvement projects.

But those who were interested had to act quickly. The bonds had to be allocated before Oct. 8, said Scott Fleming, CEO of The Enterprise Group, the county's economic development agency.

At this point, there likely would not be enough time to complete the work to issue the bonds and they will be turned over to the state Department of Treasury, Fleming said.

In March, Jackson County commissioners approved giving \$7.4 million in economic development bonds to Jackson Public Schools for planned renovations to buildings and grounds. The district ended up needing about \$1.6 million.

Blackman Township also received \$3.4 million in economic development bonds to buy 28 acres for its Downtown Development District. The county had a total of \$11.5 million in economic development bonds available for public entities.

About \$17.2 million in tax-exempt facility bonds were available to businesses in the county to finance projects that could create jobs. None of the facility bonds has been issued.

Fleming said officials were in contact with a manufacturer that expressed interest in using the bonds, but the deal fell through and economic development leaders stopped pursuing it Monday.

"We wish we had more time," Fleming said. "There are projects coming in now that it could have helped with."

The bonds originally intended to make it easier for governments and businesses to secure financing for projects in the midst of the credit crunch. Though the bonds were a good development tool, few businesses were looking to expand while the economy struggled, Fleming said.

He was disappointed that time will run out with the economy beginning to show signs of a rebound. Manufacturers have started reporting that production is increasing.

"It was too short of a time to try to use the bonds," he said. "In 2009, no one wanted to use them or even listen about bonds because no one was investing, and in 2010, we only had a short window to use the bonds. We had to scramble to get projects. Now things are starting to pick up speed."

Caleb Buhs, a spokesman for the Department of Treasury, said it is unclear how much money remained unused statewide. Governments have not turned their bonds over to the state yet.

"It's not free money. It's a loan that has to be paid back," Buhs said. "If a municipality isn't in a situation where they can take out more debt, then they're not being used."

The state will have until Dec. 31 to allocate the bonds to eligible projects. Buhs was not aware of any projects in line to receive the returned bonds, which also could go to municipalities that already used their bonds and requested more.