

## Port authority funds bonds for stimulus plan

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The Butler County Port Authority will soon be able to offer millions of dollars in bond financing as part of the federal stimulus plan.

“Normally, businesses had to go to a bank to get financing options and they had to pay it back over a short window of time, maybe five or 10 years,” said Mike Campbell, executive director of the port authority. “Now we can offer financing through these bonds which can be paid back over a longer period of time and sometimes with lower interest rates and tax-exempt options.”

About \$10 billion has been allocated nationally for new Recovery Zone Economic Development Bonds and \$15 billion for Recovery Zone Facility Bonds, which could be distributed by the port authority.

It is unclear what the final tally will be for Ohio as amounts will be based on the state’s 2008 job losses.

The main uses of the bonds would be to finance capital projects such as building new facilities and expanding current ones.

Campbell said the price tag of projects could range from a few million to \$200 million.

An advantage of the bonds is that issuers may elect to receive a rebate from the Internal Revenue Service for 45 percent of the interest paid on the bonds in lieu of investors receiving the tax credit, according to the legislation.

It’s good news for businesses looking to build or expand their facilities in a time where traditional lending methods are tight, he said.


“This could help increase jobs and investments overall,” he said.

However, time is of the essence as the bonds are only available for projects in 2009 and 2010 in most cases, said Andy Brossart, vice president of public finance for Fifth Third Bank, who gave a presentation to the port authority on the bonds.

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