

CITY OF BELLEVUE, WASHINGTON

RESOLUTION NO. 3071

A RESOLUTION of the City Council designating a recovery zone for purposes of Sections 1400U-1, 1400U-2 and 1400U-3 of the Internal Revenue Code of 1986, as amended, and the American Recovery and Reinvestment Act of 2009 for the purpose of issuing bonds.

WHEREAS, Section 1400U-1 of the Internal Revenue Code of 1986, as amended (the "Code") authorizes the City of Bellevue, Washington to designate a "recovery zone" for the purpose of issuing recovery zone economic development bonds under Section 1400U-2 of the Code ("Recovery Zone Economic Development Bonds"), and for the purpose of issuing recovery zone facility bonds under Section 1400U-3 of the Code ("Recovery Zone Facility Bonds"), and

WHEREAS, pursuant to the American Recovery and Reinvestment Act of 2009 ("ARRA") and Internal Revenue Service Notice No. 2009-50 ("Notice 2009-50"), the City has received volume cap allocations of Recovery Zone Economic Development Bonds in the amount of \$2,491,000 and Recovery Zone Facility Bonds in the amount of \$3,736,000, and

WHEREAS, proceeds of Recovery Zone Economic Development Bonds must be used to finance capital expenditures paid or incurred with respect to property located in a recovery zone, expenditures for public infrastructure and construction of public facilities, and expenditures for job training and educational programs, all of which are designed to promote economic development or other economic activity in a recovery zone, and

WHEREAS, proceeds of Recovery Zone Facility Bonds must be used to purchase certain depreciable property that is used in a recovery zone, and

WHEREAS, a recovery zone is (1) any area designated by the City as having significant poverty, unemployment, rate of home foreclosures, or general distress, (2) any area designated by the City as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990, or (3) any area for which a designation as an empowerment zone or a renewal community is in effect, and

WHEREAS, the City as a whole has experienced a significant increase in the rate of unemployment and various other indicators support the finding that city residents and businesses are generally showing signs of economic distress, and

WHEREAS, as a result, the City Council now desires to designate the geographic boundaries of the City as a recovery zone under ARRA for the purposes of Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds

to finance certain components of capital projects that qualify for financing under ARRA; now therefore:

THE CITY COUNCIL OF THE CITY OF BELLEVUE, WASHINGTON, DOES
RESOLVE AS FOLLOWS:

Section 1. Findings. For purposes of ARRA, as shown in the following data, the City has experienced a significant increase in the rate of unemployment, and experienced general economic distress within the geographic boundaries of the City:

A. Unemployment rates in the City rose from 2.9% in June 2008 to nearly 7% in March 2010.

B. Bankruptcy filings in King County increased 58 percent from 2008 to 2009.

C. Vacancy rates in the City's downtown have increased from 7.4% in late 2007 to 15.5% in late 2009.

D. Permit activity for major projects in Bellevue declined by 77 percent from 2007 to 2009.

E. Poverty rates for families in Bellevue increased from 3.8 percent in 2000 to an average of five percent during 2006-2008.

Section 2. Designation of Recovery Zone. For the foregoing reasons, the City Council hereby designates the whole of the area within the geographic boundaries of the City as a "recovery zone" for purposes of Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds. Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds may be issued by the City at the discretion of the City Council based on project qualifications meeting the requirements of the Code. Alternatively, pursuant to Notice 2009-50, the City may reallocate all or part of its volume cap allocations to eligible issuer(s) or qualified borrower(s) to finance eligible costs for qualified economic development purposes or recovery zone property, as applicable, located within both the jurisdiction of the issuer of the bonds and the recovery zone designated pursuant to this Section 2.

Section 3. Severability. If any one or more of the covenants or agreements provided in this resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this resolution and shall in no way affect the validity of the other provisions of this resolution.

ORIGINAL

2304-RES
4/1/2010


Passed by the City Council this 5th day of April, 2010,
and signed in authentication of its passage this 5th day of April,
2010.

(SEAL)



Don Davidson, DDS
Mayor

Attest:


Myrna L. Basich, City Clerk