

ORDINANCE No. 183563

*Authorize the creation of a recovery zone under the provisions of the American Recovery and Reinvestment Act of 2009 to issue Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds (Ordinance)

The City of Portland ordains.

Section 1. The Council finds:

1. The American Recovery and Reinvestment Act of 2009 ("ARRA") authorized, among other things, certain local governments to issue Recovery Zone Economic Development Bonds ("RZEDBs") and Recovery Zone Facility Bonds ("RZFBs" and together with RZEDBs, the "Recovery Zone Bonds") pursuant to volume cap allocated to such local governments.
2. Pursuant to I.R.S. Notice 2009-50 ("Notice 2009-50"), the City was allocated \$13,548,000 of RZEDB volume cap ("RZEDB Volume Cap") and \$20,323,000 of RZFB volume cap ("RZFB Volume Cap" and together with the RZEDB Volume Cap, the "Recovery Zone Volume Cap").
3. RZEDBs may be issued by governments with volume cap before January 1, 2011 to finance certain "qualified economic development purposes" for use within designated "recovery zones;" and
4. RZFBs may be issued by governments with volume cap before January 1, 2011 to finance certain "recovery zone property" for use within designated "recovery zones;" and
5. For these purposes, the Internal Revenue Code of 1986, as amended (the "Code"), defines the term "recovery zone" to mean:
 - (1) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures or general distress;
 - (2) any area designated by the issuer 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; and
 - (3) any area for which a designation as an empowerment zone or renewal community is in effect as of the effective date of ARRA, which effective date is February 17, 2009; and
6. The Code defines the term "qualified economic development purpose" to mean any expenditures for purposes of promoting development or other economic activity in a recovery zone, including:
 - (1) capital expenditures paid or incurred with respect to property located in the recovery zone,
 - (2) expenditures for public infrastructure and construction of public facilities, and
 - (3) expenditures for job training and educational programs; and

7. The Code defines the term "recovery zone property" generally to include certain depreciable property:
- (1) that was constructed, reconstructed, renovated, or acquired after the date on which the designation of the recovery zone took effect,
 - (2) the original use of which in the recovery zone commences with a beneficiary, and
 - (3) substantially all of the use of which is in the recovery zone and is in the active conduct of a "qualified business" by a beneficiary in such zone.
8. The Code defines the term "qualified business" generally to mean any trade or business except:
- (1) residential rental property, and
 - (2) any trade or business consisting of the operation of any private or commercial golf course, country club, massage parlor, hot tub facility, suntan facility, racetrack, or other facility used for gambling, or any store the principal business of which is the sale of alcoholic beverages for consumption off premises.
9. Notice 2009-50 provides that for this purpose, any local government that receives a volume cap allocation for Recovery Zone Bonds may make these designations of recovery zones in any reasonable manner as it shall determine in good faith in its discretion; and
10. Council has caused to be prepared a factual report EXHIBIT (A), which is attached to and incorporated by reference in this ORDINANCE, and which provides the factual basis for designating the entire geographic area of the City as a recovery zone.

NOW, THEREFORE, the Council directs

- A. Recovery Zone Authorized. The City is hereby authorized to designate its entire geographic area as a Recovery Zone under the Code. Based on the EXHIBIT(A), the Council hereby finds that the entire geographic area of the City is experiencing significant poverty, unemployment, rate of home foreclosures, or general distress for purposes of § 1400U-1(b) of the Code. The entire geographic area of the City is hereby designated as a recovery zone for purposes of § 1400U-1 (b) of the Code.

Section 2. The Council declares that an emergency exists so that the City can identify qualifying projects able to take advantage of the Recovery Zone bond programs prior to the January 1, 2011 expiration date; therefore this ordinance shall be in full force and effect from and after its passage by the Council

Passed by the Council: MAR 03 2010

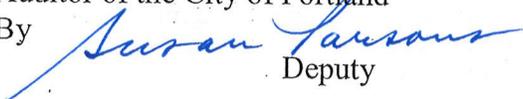
Mayor Sam Adams

Prepared by: [Jazzmin Reece]

Date Prepared: [February 25, 2010]

LaVonne Griffin-Valade
Auditor of the City of Portland

By


Deputy

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<p>INTRODUCED BY Commissioner/Auditor: Mayor Sam Adams</p>	<p>CLERK USE: DATE FILED <u>FEB 26 2010</u></p>
<p>COMMISSIONER APPROVAL Mayor—Finance and Administration - Adams </p>	<p style="text-align: right;">LaVonne Griffin-Valade Auditor of the City of Portland</p> <p>By:  Deputy</p> <p>ACTION TAKEN:</p>
<p>Position 1/Utilities - Fritz</p>	
<p>Position 2/Works - Fish</p>	
<p>Position 3/Affairs - Saltzman</p>	
<p>Position 4/Safety - Leonard</p>	
<p>BUREAU APPROVAL Bureau: Office of Management and Finance Bureau Head: Ken Rust</p>	
<p>Prepared by: Eric Johansen:PT Date Prepared: February 25, 2010</p>	
<p>Financial Impact Statement Completed <input checked="" type="checkbox"/> Amends Budget <input type="checkbox"/> Not Required <input type="checkbox"/></p>	
<p>Portland Policy Document If "Yes" requires City Policy paragraph stated in document. Yes <input type="checkbox"/> No <input checked="" type="checkbox"/></p>	
<p>Council Meeting Date March 3, 2010</p>	
<p>City Attorney Approval</p>	

AGENDA
<p>TIME CERTAIN <input type="checkbox"/> Start time: _____</p> <p>Total amount of time needed: _____ (for presentation, testimony and discussion)</p>
<p>CONSENT <input checked="" type="checkbox"/></p>
<p>REGULAR <input type="checkbox"/> Total amount of time needed: 5 minutes (for presentation, testimony and discussion)</p>

FOUR-FIFTHS AGENDA	COMMISSIONERS VOTED AS FOLLOWS:		
		YEAS	NAYS
1. Fritz	1. Fritz	✓	
2. Fish	2. Fish	✓	
3. Saltzman	3. Saltzman	✓	
4. Leonard	4. Leonard	✓	
Adams	Adams	✓	