

Presented by: The Manager  
Introduced: 02/22/10  
Drafted by: Bond Counsel

**RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA**

**Resolution No. 2517**

**A Resolution 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.**

WHEREAS, Section 1400U-1 of the Internal Revenue Code of 1986, as amended (the “Code”), authorizes the City and Borough of Juneau, Alaska (the “City and Borough”) 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 and Borough has received volume cap allocations of Recovery Zone Economic Development Bonds in the amount of \$7,586,000 and Recovery Zone Facility Bonds in the amount of \$11,379,000; 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, as provided in Section 1400U-1(b) of the Code, a recovery zone is (1) an area designated as having significant poverty, unemployment, rate of home foreclosures, or general distress, (2) an area designated 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) an area for which a designation as an empowerment zone or a renewal community is in effect; and

WHEREAS, as described herein, the City and Borough has experienced an increase in the rate of unemployment, the rate of home foreclosures and general economic distress; and

WHEREAS, as a result, the Assembly now desires to designate the City and Borough as a recovery zone under ARRA in order to issue 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, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA, as follows:

**Section 1. Findings.** For purposes of ARRA, as shown in the following data, the City and Borough has experienced an increase in the rate of unemployment and general economic distress:

A. The City and Borough of Juneau depends heavily on cruise ship tourism to support its economy. The number of cruise ship passengers visiting the City and Borough of Juneau in 2009 declined by 2.8% and is projected to decline an additional 13% in 2010. Source: *Juneau Convention and Visitors Bureau and City and Borough of Juneau Port Authority.*

B. The rate of unemployment in the City and Borough increased from 4.8% in December 2007 to 6.6% in December 2009. Source: *State of Alaska Department of Labor and Workforce Development*.

**Section 2. Designation of Recovery Zone.** For the foregoing reasons, the Assembly hereby designates the City and Borough as a “recovery zone” for purposes of issuing Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds. Issuance of such bonds will be at the discretion of the Assembly based on project qualifications meeting the requirements of the Code and other requirements for the City and Borough to issue bonds under Alaska law.

**Section 3. Severability.** If any provision of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution.

**Section 4. Effective Date.** This resolution shall become effective immediately.

ADOPTED this 22nd day of February, 2010.

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Bruce Botelho, Mayor

Attest:

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Laurie J. Sica, Clerk

CERTIFICATE

I, the undersigned, Clerk of the City and Borough of Juneau, Alaska (the “City and Borough”), DO HEREBY CERTIFY:

1. That the attached Resolution No. 2517 (the “Resolution”) is a true and correct copy of a resolution of the City and Borough as adopted at a regular meeting of the Assembly of the City and Borough (the “Assembly”) held on February 22, 2010, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a quorum of the Assembly was present throughout the meeting and a legally sufficient number of members of the Assembly voted in the proper manner for the passage of the Resolution; that all other requirements and proceedings incident to the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_\_ day of \_\_\_\_\_, 2010.

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Laurie J. Sica, Clerk  
City and Borough of Juneau