

RESOLUTION NO. 06-10

A RESOLUTION OF THE REDEVELOPMENT COUNCIL OF THE CITY OF LANCASTER, CALIFORNIA, AUTHORIZING THE CREATION OF A RECOVERY ZONE UNDER THE PROVISIONS OF THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 FOR THE PURPOSE OF ISSUING RECOVERY ZONE BONDS UNDER SECTION 1400U-1, 1400U-2, AND 1400U-3 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED

WHEREAS, Section 1401 of Title 1 of Division B of the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5, 123 Stat, 115 (2009) (“ARRA”), added Sections 1400U-1 through 1400U-3 of the Internal Revenue Code of 1986 (the “Code”), authorizing state and local governments to issue Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS, the City of Lancaster was directly allocated a total of \$12.7 million to be dispersed in the following manner: \$5,076,000 in Recovery Zone Economic Development Bonds and in \$7,614,000 in Recovery Zone Facility Bonds; and

WHEREAS, Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds may be issued before January 1, 2011, as provided in Section 1400U-1 of the Code to finance certain economic development projects located within designated “recovery zones;” and

WHEREAS, Section 1400U-1 (b) of the Code requires, in part, that issues designate an eligible “recovery zone;” and

WHEREAS, for the purposes of Sections 1400U-1 and 1400U-3 of the Code, the term “recovery zone” means (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 the effective date is February 17, 2009; and

WHEREAS, I.R.S. Notice 2009-50 (“Notice 2009-50”) provides that for the purposes of any state, county or large municipality that receives an allocation of Recovery Zone, Economic Development Bonds and Recovery Zone Facility Bonds may make these designations of “recovery zones” in any reasonable manner as it shall determine in good faith at its discretion; and

WHEREAS, the City’s unemployment rate increased from 10.7 percent to 17.7 percent between 2008 and 2010; and

WHEREAS, the Redevelopment Agency previously approved an area of the City that was designated as a California Enterprise Zone, whereby the goals of reducing poverty and increasing employment are similar; and

WHEREAS, the Lancaster Enterprise Zone encompasses 74 percent of all commercial and industrial zoned areas of the City.

NOW, THEREFORE, THE LANCASTER REDEVELOPMENT AGENCY DOES HEREBY RESOLVE AS FOLLOWS:

Section 1. The City's "Recovery Zone," for the purposes of Sections 1400U-1, 1400U-2, and 1400U-3 of the Code, is hereby designated to be the area denoted on the map attached to this resolution, consisting of the geographical boundaries of the Lancaster Enterprise Zone.

Section 2. The Lancaster Redevelopment Agency finds that the "Recovery Zone" described above meets the requirements of Section 1400U-1 of the Code.

Section 3. The City Manager, or his designee, is hereby authorized to execute and deliver any and all documents which may be deemed necessary or advisable in order to designate the Lancaster Recovery Zone.

Section 4. The City Clerk shall certify to the adoption of this Resolution.

PASSED, APPROVED and ADOPTED this _____ day of _____, 2010 by the following vote:

AYES:

NOES:

ABSTAIN:

ABSENT:

ATTEST:

APPROVED:

GERI K. BRYAN, CMC
Agency Secretary
Lancaster Redevelopment Agency

R. REX PARRIS,
Chairman
Lancaster Redevelopment Agency

STATE OF CALIFORNIA)
COUNTY OF LOS ANGELES) ss
CITY OF LANCASTER)

CERTIFICATION OF RESOLUTION
LANCASTER REDEVELOPMENT AGENCY

I, _____, _____ Lancaster Redevelopment Agency, California, do hereby certify that this is a true and correct copy of the original Resolution No. 06-10, for which the original is on file in my office.

WITNESS MY HAND AND THE SEAL OF THE LANCASTER REDEVELOPMENT AGENCY,
on this _____ day of _____, _____.

(seal)

LANCASTER ENTERPRISE ZONE

