

RESOLUTION NO. 090713

Designating a recovery zone pursuant to the American Recovery and Reinvestment Tax Act of 2009 for the purpose of issuing Recovery Zone Economic Development Bonds and Recovery Zone Facility bonds.

WHEREAS, the City of Kansas City, Missouri, (the "City") has received an allocation of the National Recovery Zone Economic Development Bonds limitation in the amount of \$15,293,000.00 and an allocation of the National Recovery Zone Facility Bonds limitation in the amount of \$10,195,000.00 pursuant to the American Recovery and Reinvestment Tax Act of 2009, codified in Title 26 of the United States Code and Internal Revenue Service, Notice 2009-50, issued on June 12, 2009 (collectively, the "Allocations"); and

WHEREAS, the City understands that the Allocations are to be used for the issuance of Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds pursuant to Section 1400U-2 or 1400U-3, respectively, of the Internal Revenue Code of 1986, as amended, such bonds referred to collectively as "Recovery Zone Bonds"; and

WHEREAS, the City understands that Recovery Zone Bonds are to be issued with respect to or to finance certain expenditures located in or attributable to an area within the jurisdiction of the City that the City determines has a significant level of one or more of the following factors: poverty, unemployment, home foreclosures, or general distress (such factors referred to herein as the "Distress Factors"); and

WHEREAS, the Council has designated numerous areas of the City as redevelopment areas pursuant to the Real Property Tax Increment Allocation Redevelopment Act, the Land Clearance for Redevelopment Authority Law, The Planned Industrial Expansion Law, The Urban Redevelopment Corporations Law, Sections 135.200 to 135.256, relating to enterprise zones, and the Council has general knowledge and recognition of the significant poverty, unemployment, rate of home foreclosures and general distress in the City of Kansas City; and

WHEREAS, the City has determined that the Distress Factors have been caused by one or more of the "Underlying Conditions of Distress" described in Section 1 hereof; and

WHEREAS, the City desires to designate the area described in Section 3 as a "Recovery Zone" to provide for the possible issuance of Recovery Zone Bonds (such area being referred to herein as the "Recovery Zone"); NOW, THEREFORE,

BE IT RESOLVED BY THE COUNCIL OF KANSAS CITY:

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**Section 1. Underlying Conditions of Distress.** The Council hereby finds and determines that the Recovery Zone identified in Section 3 suffers from one or more of the following conditions (each an “Underlying Condition of Distress”):

(a) The Recovery Zone has experienced significant increases in unemployment during the calendar years 2008 and 2009.

(b) The Recovery Zone has experienced significant increases in home foreclosures and business failures during the calendar years 2008 and 2009.

(c) The Recovery Zone suffers from significant poverty.

(d) Within the entire Recovery Zone there is a significant number of buildings and improvements which, by reason of dilapidation, deterioration, age or obsolescence, illegal use of individual structures, presence of structures below minimum code standards, abandonment, excessive vacancies, inadequate provision for ventilation, light, air sanitation, utilities or open spaces, high density of population and overcrowding of buildings, overcrowding of land, the existence of conditions which endanger life or property by fire and other causes, excessive land coverage, deleterious land use or layout, depreciation of physical maintenance, and lack of community planning, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime or constitutes an economic or social liability and is detrimental to the public health, safety, morals, or welfare of the Recovery Zone.

(e) There are substantial real properties on which there is a vacant structure and on which real property taxes have been delinquent for one year or more and orders have been issued by the Recovery Zone's fire official, building official or health official, and there has been no compliance with those orders within the prescribed time given by such official or within ninety days, whichever is longer, or the owner has declared in writing to the building official that the property is abandoned or there has been a determination by the City that the vacant structure contributes to housing blight.

(f) The Recovery Zone has generally suffered from declining population or an increase in property tax delinquency.

(g) The Recovery Zone has suffered from a material decline (using historical numbers) in retail sales.

(h) The Recovery Zone has experienced a decline in property tax or sales tax revenues, resulting in budget cuts and an ensuing reduction in governmental services provided by the City within the Recovery Zone since 2008.

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(i) The Recovery Zone has experienced economic distress by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990.

(j) A significant portion of the Recovery Zone has been designated as an empowerment zone or renewal community before February 17, 2009.

**Section 2. Distress Factors.** The Council hereby finds and determines that, as a result of the Underlying Conditions of Distress, the Recovery Zone has experienced a significant level of one or more of the Distress Factors (*i.e.* poverty, unemployment, home foreclosures, or general distress).

**Section 3. Designation of Recovery Zone.** Based upon the findings and determinations of the Underlying Conditions of Distress and the resulting Distress Factors, the Council hereby designates the entire area within the jurisdictional boundaries of the City as the “Recovery Zone” for the City.

**Section 4. Further Action.** The Director of Finance is authorized and directed (a) to take all necessary steps to identify appropriate projects for which the issuance of bonds will further the goals established for Recovery Zone Bonds in order to cure the Distress Factors within the Recovery Zone; to identify other economic development incentives and programs which may be available under Federal or Missouri laws for such projects which will further the goals established for Recovery Zone Bonds, (b) to send the notice of intent to issue recovery zone bonds to the Missouri Department of Economic Development and (c) to work with the Missouri Department of Economic Development to plan for the issuance of Recovery Zone Bonds for identified projects.

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