Before the Board of Supervisors
County of Placer, State of California

In the matter of: A RESOLUTION designating Placer County as a Federal Recovery Zone pursuant to the American Recovery and Reinvestment Act of 2009 for the purpose of issuing Recovery Zone Facility Bonds in an amount not to exceed $6,841,000 and Recovery Zone Economic Development Bonds in an Amount not to exceed $4,561,000.

Resol. No: _____

The following **RESOLUTION** was duly passed by the Board of Supervisors of the County of Placer

at a regular meeting held **Tuesday, November 3, 2009** by the following vote on roll call:

Ayes:

Noes:

Absent:

Signed and approved by me after its passage.

_____
Chairman, Board of Supervisors

Attest:
Clerk of said Board

_____

WHEREAS, Section 1401 of the American Recovery and Reinvestment Act (ARRA) of 2009, Pub. L. No. 111-5, 123 Stat. 115 (2009) (the "Act"), added Section 1400U-1 through 1400U-3 to the Internal Revenue Code of 1986, as amended (the "Code"), authorizing states, counties, and large municipalities to issue Recovery Zone Facility Bonds and Recovery Zone Economic Development Bonds; and

WHEREAS, Recovery Zone Facility Bonds and Recovery Economic Development Bonds may be used to finance certain "qualified economic development purposes" and certain "recovery zone property," generally for use within Recovery Zones; and

WHEREAS, a Recovery Zone is defined in Section 1400U-1 as: (i) any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures, or general distress; (ii) any area designated as economically distressed by reason of the closure or realignment of a military installation; (iii) any area for which a designation as an empowerment zone or renewal community is in effect as of the effective date of the ARRA which effective date if February 17, 2009; and

WHEREAS, the recent economic downturn has caused business closures, a decline in sales and property taxes and an unemployment rate of 11.4% in Placer County, and the latter of which is the basis for the Federal Recovery Zone designation per ARRA Section 1400-1(b); and

WHEREAS, Placer County has been allocated $6,841.000 in Recovery Zone Facility Bonds and $4,561,000 in Recovery Zone Economic Development Bonds that can be issued through January 31, 2011; and

WHEREAS, Internal Revenue Service Notice 2009-50 (the "notice") states than an issuer of Recovery Zone Facility Bonds and Recovery Zone Economic Development Bonds can make designations of Recovery Zones in any reasonable manner as it shall determine in good faith at its discretion; and

WHEREAS, Board of Supervisors approval of Recovery Zone areas is required prior to authorizing the use of either Recovery Zone Facility Bonds or Recovery Zone Economic Development Bonds; and

WHEREAS, all requests for use of Recovery Zone funds shall be approved by the Board of Supervisors in accordance with the rules or regulations relating to issuance of bonds or any financing documents relating to such issuance; and

WHEREAS, the use of Recovery Zone Bonds in the County will assist with recovery from the economic downturn by advancing economic development and public infrastructure priorities.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Supervisors of the County of Placer hereby designates Placer County as a Federal Recovery Zone pursuant to the American Recovery and Reinvestment Act of 2009 for the purpose of issuing Recovery Zone Facility Bonds and Recovery Zone Economic Development Bonds.