



Legislation Text

File #: 19330, **Version:** 1

Fiscal Note

Adoption of this resolution has no direct budgetary impact but will allow the City to issue Recovery Zone Economic Development Bonds as part of the 2010 capital borrowing program to minimize future debt service costs.

Title

Resolution Designating the City of Madison, Wisconsin, a Recovery Zone for Purposes of the American Recovery Reinvestment Act of 2009.

Body

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the "Stimulus Act") authorizes the issuance of Recovery Zone Economic Development Bonds which Bonds are eligible for a direct payment by the United States Treasury to the issuer of forty-five percent (45%) of the interest due on the Bonds; and

WHEREAS, in order to issue Recovery Zone Economic Development Bonds the City must first designate one or more "recovery zones" which term means (i) any area designated by the City as having significant poverty, unemployment, rate of home foreclosures, or general distress ("recovery zone conditions"), (ii) any area designated by the City 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 (iii) any area for which a designation as an empowerment zone or a renewal community is in effect; and

WHEREAS, the existence of recovery zone conditions in the City and the qualification of the City as a Recovery Zone are evidenced by, among other things, the following factors: (a) the unemployment rate in the City was 5.7% for June, 2010, as compared to 4.5% for January, 2009; (b) Dane County experienced a 22% increase in foreclosure court cases in 2009 compared to 2008, and (c) 2006-2008 U.S. Census Bureau data show that 17.3% of all people in the City are in poverty.

NOW, THEREFORE, BE IT RESOLVED BY THE COMMON COUNCIL OF THE CITY OF MADISON, WISCONSIN, that:

1. Existence of Recovery Zone Conditions in the City. There exist conditions including significant poverty, unemployment and rate of foreclosures which cause the City as a whole to be subject to designation as a Recovery Zone under the Stimulus Act.
2. Designation of Recovery Zone. The Common Council hereby designates all of the territory located within the City of Madison boundaries as a Recovery Zone for all purposes of the Stimulus Act.
3. General Authorization. The Mayor and City Clerk are authorized and directed to take all actions necessary or convenient in connection with the designation of the City as a Recovery Zone.