RESOLUTION NO. 1735

DESIGNATING ALL OF YAVAPAI COUNTY AS A RECOVERY ZONE UNDER THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 AND AUTHORIZING THE ALLOCATION OF A PORTION OF YAVAPAI COUNTY'S RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS TO YAVAPAI COUNTY SCHOOL DISTRICT NO. 28 (CAMP VERDE UNIFIED SCHOOL DISTRICT)

WHEREAS, on February 17, 2009, the President signed into law the American Recovery and Reinvestment Act of 2009, Pub. L. No. 111-5 Stat. 115 (2009 ("ARRA"); and

WHEREAS, Section 1401 of Title I of Division B of ARRA authorizes state and local governments to issue Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS, Recovery Zone Economic Development Bonds may be used to finance certain "qualified economic development purposes" and Recovery Zone Facility Bonds may be used to finance certain "recovery zone property," as such terms are defined in ARRA; and

WHEREAS, the term "Recovery Zone" means: 1. any area designated by the issuer as having significant poverty, unemployment, a high 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 effective date was February 17, 2009; and

WHEREAS, Recovery Zone Economic Development Bonds are considered "qualified" bonds for purposes of Section 6431 of the Internal Revenue Code of 1986, as amended, and provide for a federal subsidy through a refundable tax credit paid to State or local governmental issuers in an amount equal to 45 percent of the total coupon interest payable to investors in these taxable bonds; and

WHEREAS, the interest on State or local Recovery Zone Facility Bonds is excludable in gross income for Federal income tax purposes; and

WHEREAS, Yavapai County, Arizona (the "County") has received the following volume caps of:

Recovery Zone Economic Development Bonds: $14,852,000
Recovery Zone Facility Bonds: $22,278,000

and may use such volume cap for eligible costs or may allocate such volume cap in any reasonable manner that the Yavapai County Board of Supervisors (the "Supervisors") shall determine in good faith at their discretion for use for eligible costs for qualified economic development purposes or recovery zone property; and

WHEREAS, the Supervisors seek to designate the following area as a Recovery Zone due to significant levels of increased unemployment, increased levels of home foreclosures, or the general increase of economic distress throughout the County: the general increase of economic distress of the entire County, including the percentage increase in unemployment, foreclosure rates, general malaise, and the levels of children in poverty, as demonstrated in Exhibit A, leads us to designate the entire County as a Recovery Zone for the purposes described herein; and

WHEREAS, the designation of the entire County as a Recovery Zone was discussed at the April 19th, 2010 meeting of the Supervisors and was approved by the Supervisors on such date;

NOW THEREFORE, BE IT RESOLVED that the Yavapai County Board of Supervisors designates the entire area of Yavapai County, Arizona as a Recovery Zone; and

BE IT FURTHER RESOLVED THAT, the County Administrator/County Clerk and the County Finance Director are authorized to sign the necessary documents and authorize the allocation of volume cap for Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds to finance qualified projects in the County; and

The Board of Supervisors allocates $2,500,000 of the County's allocation of Recovery Zone Economic Development Bonds to Camp Verde School District Unified School District No. 28 of Yavapai County, Subject; however, to the following conditions:

1. The County receives an opinion from a nationally recognized bond counsel to the effect that the actions taken to allocate a portion of the County's Recovery Zone Economic Development Bonds to the District is a valid allocation and the District is eligible to receive such allocation;

2. That the District and the County enter into an agreement that to the extent provided by law, the District will hold the County harmless against any and all claims growing out of the allocation herein made to the District, and with respect to any bonds or other obligations to be issued under such allocation; and

3. That the District reimburses the County for all outside legal and other expenses incurred by the County with respect to this Resolution and the allocation to the District; and

4. That a nationally recognized bond counsel, acting on behalf of the District, approve this Resolution.

This allocation is irrevocable once bonds or other obligations are issued that utilize this allocation.

ADOPTED AND APPROVED this 19th day of April , 2010.

/s/ A.G. "Chip" Davis
Chairman, Board of Supervisors, Yavapai County, Arizona

ATTEST:

/s/ Julie Ayers
Clerk, Board of Supervisors, Yavapai County, Arizona

APPROVED:

/s Nancy M. Lashnits
Nancy M. Lashnits, Bond Counsel

Exhibit A

City of Prescott lays off 15 in 2009. City manager says, "But I'm awfully, awfully concerned about fiscal-year 2011 (which begins in July 2010)."

As Chino Valley's economy continued to weaken, the town cut its employees' wages by 10 percent and the bulk of its departments switched to a four-day workweek.

http://www.prescottaz.com/main.asp?Search=1&ArticleID=76236&SectionID=1&SubSectionID=1&S=1

The cuts forced each of the three local districts to reduce their M&O budgets: Chino Valley Unified School District by $259,000; Prescott Unified School District, $500,000; and Humboldt Unified School District, $605,000.

http://www.prescottaz.com/main.asp?Search=1&ArticleID=76150&SectionID=1&SubSectionID=1&S=1

2 Year Percentage change in unemployment in Yavapai County ending December 2009 is 121%
http://www.economagic.com/em-cgi/data.exe/blsla/laupa04070003

2 Year Percentage change in unemployment in the United States ending December 2009 is 100%
http://data.bls.gov/PDQ/servlet/SurveyOutputServlet?data_tool=latest_numbers&series_id=LNS14000000

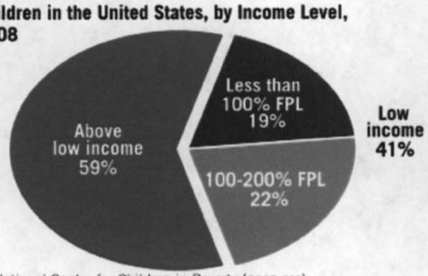
	US	AZ	Yavapai County
Median Household Income	$50,007	$48,609	$43,170

http://projects.propublica.org/recovery/locale/arizona/yavapai

Children in poverty: 20% in Yavapai County, 20% in Arizona

http://www.countyhealthrankings.org/arizona/yavapai

Children in the United States, by Income Level, 2008



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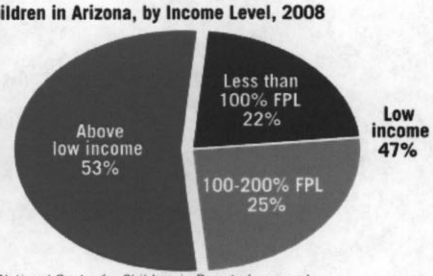
National Demographic Profiles

Children in Arizona, by Income Level, 2008



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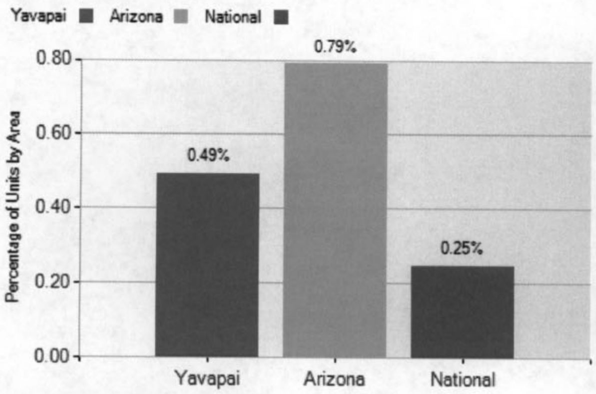
Arizona Demographic Profiles

National Center for Children in Poverty
http://www.nccp.org/profiles/

Exhibit A - continued

Geographical Comparison - Yavapai county, AZ



Geographical Comparison
Is your area's foreclosure rate as high as state and national averages?
More info

http://www.realtytrac.com/trendcenter/az/yavapai+county-trend.html