

RESOLUTION NO. 1076

A RESOLUTION 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 Canby Urban Renewal Agency (the “Agency”) of the City of Canby, Clackamas County, Oregon (the “City”), has received an allocation of the national Recovery Zone Economic Development Bonds limitation in the amount of \$2,500,000 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 (the “Allocation”); and

WHEREAS, the City understands that the Allocation is to be used for the issuance of Recovery Zone Economic Development Bonds (“RZEDB”) pursuant to Section 1400U-2 of the Internal Revenue Code of 1986, as amended (the “Code”); and

WHEREAS, Section 1400U-3 of the Code authorizes the issuance of Recovery Zone Facility Bonds (“RZFB”); and

WHEREAS, RZEDB and RZFB are 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 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”);

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

- significant increases in unemployment during the calendar years 2008 and 2009.
- significant increases in home foreclosures and business failures during the calendar years 2008 and 2009.

- suffered from a material decline in retail sales.

Section 2. Distress Factors. The Council hereby finds and determines that, as a result of the Underlying Condition of Distress, the Recovery Zone has experienced a significant level of one or more of the Distress Factors.

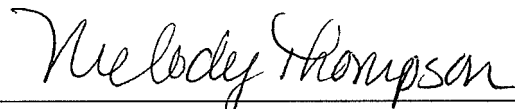
Section 3. Designation of Recovery Zone. Based upon the findings and determinations of the Underlying Condition of Distress and the resulting Distress Factors, the City hereby designates the entire area within the jurisdictional boundaries of the City as the "Recovery Zone" for the City.

Section 4. Further Action. The City Administrator or the Finance Director are authorized and directed to take all necessary steps to identify appropriate projects for which the issuance of obligations 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 Oregon laws for such projects which will further the goals established for Recovery Zone Bonds; and to work with Clackamas County, Oregon to plan for the issuance of Recovery Zone Bonds for identified projects.

Section 5. Effective Date.

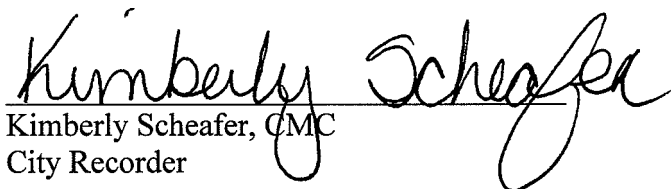
This resolution shall take effect on the date of its adoption.

Adopted by the Canby City Council on the 3rd day of November 2010.



Melody Thompson
Mayor

ATTEST:



Kimberly Scheafer, CMC
City Recorder