



Legislation Text

File #: 2010-0070, **Version:** 2

Clerk 03/24/2010

AN ORDINANCE relating to designating King County a Recovery Zone in order to qualify for Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds authorized by the federal American Recovery and Reinvestment Act.

STATEMENT OF FACTS:

1. The federal American Recovery and Reinvestment Act created two new bond programs to help stimulate nationwide economic recovery.
2. Recovery Zone Economic Development Bonds are taxable bonds that allow state and local governments to obtain lower borrowing costs, through a forty-five percent federal interest payment subsidy, to finance a broad range of qualified economic development projects including public works projects and job training and educational programs.
3. Recovery Zone Facility Bonds are tax-exempt private activity bonds that provide lower borrowing costs to private businesses to finance a broad range of depreciable capital projects.
4. The United States Department of the Treasury has allocated to King County \$23,169,000 in issuing authority for Recovery Zone Economic Development Bonds and \$34,754,000 in issuing authority for Recovery Zone Facility Bonds.
5. Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds may only be used to finance eligible projects in designated Recovery Zones.
6. A Recovery Zone is defined as an area having significant unemployment, home foreclosures, poverty or general distress.

7. King County's economy has declined significantly during the national recession.
8. King County's unemployment rate at the end of September 2009 was 8.8 percent.
9. The number of unemployed workers in King County grew by six thousand six hundred seventy in September 2009.
10. Through the end of October 2009, King County companies have laid off over fourteen thousand employees.
11. Small and medium-sized businesses have extreme difficulty obtaining credit.
12. The median price for a house in King County fell to \$350,000 in October 2009, a decline of fifteen percent from its high of \$410,000 in April 2008.
13. Seaport cargo has declined by 11.9 percent and air cargo has declined by 7.9 percent year-to-date at the Port of Seattle.
14. Bankruptcy filings in King County during September 2009 increased fifty-seven percent over September 2008.
15. Notice of Trustee Sales of homes have increased eighty percent year-to-date over 2008.
16. Significant public infrastructure and private business assets are at risk from potential flooding in the Green River valley.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. King County is designated a Recovery Zone.

SECTION 2. The executive or the executive's designee shall form a working group to review and rank projects requesting Recovery Zone financing for consideration by the executive. The working group shall have as few as three and no more than five members, one of whom shall be a King County council staff member appointed by the chair of the budget and fiscal management committee or its successor. The remaining members shall be appointed by the executive or the executive's designee.

SECTION 3. The executive shall transmit a motion to the council containing the executive's

recommendations for projects that should receive Recovery Zone financing. The timing for transmittal of the motion shall conform to the federal American Recovery and Reinvestment Act and relevant Washington state Administrative Code. The motion shall be transmitted to the clerk of the council in the form of an original and nine copies for distribution to all councilmembers.