ORDINANCE NO. 19392

AN ORDINANCE introduced by City Manager Norton N. Bonaparte, Jr., 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 designating the bond issuer.

WHEREAS, the City of Topeka (the “City”) has received an allocation of the national Recovery Zone Economic Development Bonds limitation in the amount of $9,364,054.00 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 (collectively, the “Allocation”); and

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

WHEREAS, the City understands that Recovery Zone Economic Development Bonds are to be issued with respect to or to finance certain expenditures located in or attributable to the 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 (referred to as “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 hereof as a “Recovery Zone” to provide for the possible issuance of Recovery Zone Economic Development Bonds (such area being referred to herein as the “Recovery Zone”).

NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF TOPEKA, KANSAS:

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

(a) The Recovery Zone has experienced significant increases in unemployment during the calendar years 2007 through 2009 with the unemployment rate rising from 5.2% in 2007 to 7.4% in 2009.

(b) The Recovery Zone has experienced the following significant increases in home foreclosures for the 2007-2009 periods:

- 2007 - 212 homes foreclosed
- 2008 - 549 homes foreclosed (159% increase)
- 2009 - 860 homes foreclosed (57% increase)

(c) The Recovery Zone has suffered from a material decline in retail sales of 2.5% from 2007 to 2009.

Section 2. Distress Factors. The City Council hereby finds and determines that, as a result of the Underlying Condition(s) of Distress, the Recovery Zone has experienced a significant level of the following Distress Factors: unemployment, home foreclosures and general distress. Also, within the entire Recovery Zone there is a significant number of building and improvements which, by reason of dilapidation, deterioration, age or obsolescence, illegal use of individual structures, presence of
structures below minimum code standards, abandonment, excessive vacancies, inadequate provision for ventilation, light, air sanitation, utilities or open spaces, high density or population and overcrowding of buildings, overcrowding of land, the existence of conditions which endanger life or property by fire and other causes, excessive land coverage, deleterious land use or layout, depreciation of physical maintenance, and lack of community planning, or any combination of such factors, is conducive to ill health, transmission of disease, infant mortality, juvenile delinquency and crime or constitutes an economic or social liability and is detrimental to the public health, safety, morals or welfare of the Recovery Zone.

Section 3. Designation of Recovery Zone. Based on upon the findings and determinations of the Underlying Condition(s) of Distress and the resulting Distress Factors, the City Council hereby designates the entire area within the jurisdictional boundaries of the City of Topeka, as the Recovery Zone.

Section 4. Designation of Entity Responsible for Issuing Recovery Zone Economic Development Bonds. The City Council hereby designates the City of Topeka as issuer for the Recovery Zone Economic Development Bonds.

Section 5. Further Action. Appropriate staff and officers of the City are authorized and directed to take all necessary steps to identify appropriate projects for which the issuance of bonds will further the goals established for Recovery Zone Economic Development 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 Kansas laws for such projects which will further the goals established for Recovery Zone Economic Development Bonds; and to work with the
Kansas Department of Commerce Development to plan for the issuance of Recovery Zone Bonds for identified projects.

Section 6. Conflicting Provisions. All ordinances, resolutions or rules, or portions thereof, inconsistent with the provisions of this ordinance are hereby rescinded or repealed.

Section 7. Severability. Should any section, clause or phrase of this ordinance be declared invalid by a court of competent jurisdiction, the same shall not affect the validity of this ordinance as a whole, or any part thereof, other than the part so declared to be invalid.

Section 8. This ordinance shall take effect and be in force from and after its passage, approval and publication in the official City newspaper.

PASSED AND APPROVED by the City Council March 16, 2010.

CITY OF TOPEKA, KANSAS

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William W. Bunten, Mayor

ATTEST:

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Brenda Younger, City Clerk