

RESOLUTION NO. 11-01

A RESOLUTION OF THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, ALASKA, DESIGNATING A RECOVERY ZONE FOR PURPOSES OF SECTIONS 1400U-1 AND 1400U-2 OF THE INTERNAL REVENUE CODE OF 1986, AS AMENDED, AND THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009.

WHEREAS, Section 1400U-1 of the Internal Revenue Code of 1986, as amended (the "Code"), authorizes the Aleutians East Borough (the "Borough") to designate a "recovery zone" for the purpose of issuing recovery zone economic development bonds under Section 1400U-2 of the Code ("Recovery Zone Economic Development Bonds"); and

WHEREAS, pursuant to the American Recovery and Reinvestment Act of 2009 (the "Recovery Act") and Internal Revenue Service Notice No. 2009-50, allocations of Recovery Zone Economic Development Bond volume cap were allocated in the State of Alaska, and the Borough received no such initial allocation; and

WHEREAS, pursuant to Section 5, Chapter 68 SLA 2010, the Alaska Municipal Bond Bank (the "Bond Bank") is authorized to administer Recovery Zone Economic Development Bond volume cap in the State of Alaska; and

WHEREAS, pursuant to Resolution No. 2010-07, the Bond Bank has allocated \$3,250,000 of Recovery Zone Economic Development Bond volume cap to the Borough; and

WHEREAS, proceeds of Recovery Zone Economic Development Bonds must be used to finance capital expenditures paid or incurred with respect to property located in a recovery zone, expenditures for public infrastructure and construction of public facilities and expenditures for job training and educational programs, all of which are designed to promote economic development or other economic activity in a recovery zone; and

WHEREAS, pursuant to Section 1400U-1(b) of the Code, a recovery zone is defined as, among other things, an area designated as having significant unemployment; and

WHEREAS, as described herein, the Borough has experienced significant unemployment; and

WHEREAS, as a result, the Assembly now desires to designate the Borough as a recovery zone under the Recovery Act in order to issue Recovery Zone Economic Development Bonds to finance certain projects that qualify for financing under the Recovery Act;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, ALASKA, that:

Section 1. Finding of Significant Unemployment. The Assembly hereby finds that the current unemployment rate (12.9% in May 2010, not seasonally adjusted, according to the United States Bureau of Labor Statistics) and the much higher rate of underemployed and seasonal workers constitute "significant unemployment" in the Borough within the meaning of Section 1400U-1(b) of the Recovery Act.

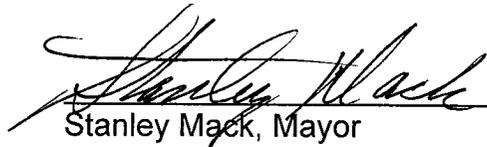
Section 2. Designation of Recovery Zone. For the reason set forth in Section 1, the Assembly hereby designates the Borough as a "recovery zone" for purposes of issuing Recovery Zone Economic Development Bonds. The issuance of Recovery Zone Economic Development Bonds will be at the discretion of the Assembly based on project qualifications meeting the requirements of the Code and other requirements for the Borough to issue bonds under the laws of the State of Alaska.

Section 3. Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of any Recovery Zone Economic Development Bonds issued by the Borough.

Section 4. Effective Date. This resolution shall take effect immediately.

ADOPTED BY THE ASSEMBLY OF THE ALEUTIANS EAST BOROUGH, on this 24th day of August, 2010.

ALEUTIANS EAST BOROUGH, ALASKA


Stanley Mack, Mayor

ATTEST:


Tina Anderson, Borough Clerk