



Meeting Date: 01/26/2009

ACTION	TYPE OF ITEM
<input type="checkbox"/> Approved Recommendation	<input checked="" type="checkbox"/> Info/Consent
<input type="checkbox"/> Ord. No(s). _____	<input type="checkbox"/> Report
<input type="checkbox"/> Res. No(s). _____	<input type="checkbox"/> Public Hearing (Info/consent)
<input type="checkbox"/> Other _____	<input type="checkbox"/> Other _____

Prepared By: Michael J. More *KSM* Agenda Item No. I-3

Reviewed By: City Manager *[Signature]* City Attorney *[Signature]* Finance *[Signature]* Other (Specify) _____

DATE: January 14, 2010

TO: City Council

FROM: James Cameron, Chief Financial Officer
Finance Department *[Signature]*

SUBJECT: Potential Projects for Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds

RECOMMENDATION

That City Council authorize staff to submit a "Plan of Issuance" to the California Debt Limit Allocation Committee (CDLAC) listing potential projects to be funded with Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds.

DISCUSSION

On January 12, 2010, City Council adopted Resolution No. 13,758 which designated all areas within the City of Oxnard as a Recovery Zone as authorized under the American Recovery and Reinvestment Act of 2009 ("ARRA"). The designation allows the City to take advantage of two bond programs, known as Recovery Zone Economic Development Bonds ("RZEDBs") and Recovery Zone Facility Bonds ("RZFBs"). The City's initial allocation for RZEDBs and RZFBs is \$2,713,000 and \$4,069,000, respectively. RZEDBs can finance public infrastructure within the designated recovery zone. Conversely, RZFBs offer private businesses access to tax-exempt financing for a wide variety of projects. Funds from RZFBs can be used to finance the acquisition of depreciable property including warehouses, equipment, offices, and other private activity improvements that would otherwise be approved for conventional financing, in order to foster economic recovery within the designated recovery zone.

In order to maintain its allocations for RZEDBs and RZFBs, the City must identify potential projects to be financed using RZEDBs and RZFBs, identify a proposed timeline for all needed City actions and approvals, identify all approvals obtained to date, and identify the anticipated construction start date. This information must be submitted to the California Debt Limit Allocation Committee (CDLAC) by January 31, 2010 in the form of a "Plan of Issuance".

Designation of the City of Oxnard as a Recovery Zone under authorization of the American Recovery and Reinvestment Act of 2009 (ARRA)

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Staff proposes that the following projects be considered for financing under the two respective bond programs:

Potential Projects for Recovery Zone Economic Development Bonds

- Acquisition of industrial building and equipment for by a manufacturer seeking expansion opportunities.
- Acquisition of commercial facility for medical offices by an existing medical services provider.

The Economic Development Corporation of Oxnard is currently working with the above businesses to determine eligibility for accessing the bond funds and will be identifying other potential users in the next few months.

Potential Projects for Recovery Zone Facility Bonds

- Construction of an approximate 18,000 square foot maintenance facility/corporate yard on real property owned by the City within the RiverPark mixed-use development.
- Rehabilitation of Administrative Offices at 300 West Third Street (Annex I).
- Downtown Infrastructure Improvements, including but not limited to lighting improvements, parking lot resurfacing, alleyway reconstruction and/or resurfacing.
- Development of a Meta District Park on CDC property located at the southwest corner of 6th & Meta Streets.
- Wastewater System Improvements.

It is possible that the City's allocation for each type of bond could be more than the initial allocation if other jurisdictions in California do not designate recovery zones and submit the required information to CDLAC by January 31, 2010. To the extent that the City's allocations are exceeded by the above projects, Staff will seek to obtain additional allocations from CDLAC.

Staff will return to City Council in mid-2010 to seek approval for specific projects to finance using RZEDB and RZFB allocations. A reimbursement resolution or resolution approving issuance of bonds, and approval of the projects must be submitted to CDLAC by August 15, 2010 in order for the City to secure the bond allocations. The bonds for each allocation must be issued by January 1, 2011.

FINANCIAL IMPACT

None.

MJM