

**CALLED MEETING
MAY 28, 2010**

The Mayor and City Council of the City of Washington, Georgia, held a called meeting on Friday, May 28, 2010, beginning at 4:30 PM in the Council Chambers of City Hall to receive information from the URA on the hotel/conference center project. Mayor W. E. Burns presided.

Present were: Mayor Burns, council members Barnett, Eaton and Pope. Council members Cullars, Rainey and Tutt were not present. Also present were City Administrator Eskew, City Clerk Danner, City Attorney Fleming and Main Street Director Jenkins.

Visitors present were Henry Harris, Jr., Toombs McLendon IV, Charles Jackson, Don French, Judy Anderson, Ed Franklin, Ronnie Huffman, Barbara Bacon, Mildred Hudson, Rosalie Haynes, Barbara Ricciutti and Kip Burke of the News Reporter.

Main Street Director David Jenkins advised council that the URA desires to pursue Recovery Zone Bonds for the financing of the proposed hotel/conference center. With this type of funding, 45% of the interest paid will come back to the URA to be applied to the project. There is an end of the year deadline for approval of Recovery Zone Bond financing.

Mr. Don French gave to council a proposed drawing of hotel project which will contain some 61 guest rooms. Mr. French also spoke on expected occupancy rate and hotel success.

It was pointed out that the city has spent some \$5 million in cash outlay for projects during the last three years and some \$900,000 in tourism monies in the last two years.

At this time, the URA desires council approval of the direction that their work is going in, so that more accurate financing and cost studies might be obtained.

On motion by Pope, second by Eaton, council approved 2 to 1 the intent of the URA proposal as outlined in a letter from the URA to Mayor Burns dated May 21, 2010. Council member Barnett voted against the motion.

Again it was stressed that this action does not approve the construction of a hotel, but only gives the URA authority to proceed with financing options and cost studies.

RESOLUTION – RECOVERY ZONE AREA

On motion by Barnett, second by Eaton, council approved 3 to 0 the following resolution:

A RESOLUTION OF THE MAYOR AND COUNCIL OF THE CITY OF WASHINGTON, GEORGIA, DESIGNATING A RECOVERY ZONE IN ACCORDANCE WITH THE AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009; AND FOR OTHER PURPOSES.

WHEREAS, the American Recovery and Reinvestment Act of 2009 (the “ARRA”) created two new bond programs for state and local governments; Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS, the Georgia State Financing and investment Commission (“GSFIC”) took action on August 20, 2009 to officially recognize certain allocations made by the ARRA and the United States Department of Treasury; and

WHEREAS, pursuant to the ARRA, an issuer of Recovery Zone Economic Development Bonds or Recovery Zone Facility Bonds is required to designate a “Recovery Zone” which means

- (1) Any area designated by the issuer as having significant poverty, unemployment, rate of home foreclosures, or general distress

- (2) Any area designated by the issuer as economically distressed by reason of the closure or realignment of a military installation pursuant to the Defense Base Closure and Realignment Act of 1990; and
- (3) Any area for which a designation as an empowerment zone or renewal community is in effect; and

WHEREAS. The Georgia Department of Community Affairs (“DCA”) is currently taking applications on behalf of GSFIC for the re-allocation of Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds; and

WHEREAS, the City of Washington (the “City”), or the City of Washington Urban Redevelopment Authority (the “Authority”) on behalf of the City, wishes to apply for an allocation for Recovery Zone Facility Bonds from DCA; and

WHEREAS, prior to applying to DCA for such allocations, a “Recovery Zone” must be designated by the City; and

WHEREAS, the City has determined that the City of Washington has experienced significant poverty, unemployment, rate of home foreclosures and general distress;

NOW, THEREFORE, BE IT RESOLVED by the Mayor and Council of the City of Washington and it is hereby so resolved by the authority of the same, that the entire area within the territorial boundaries of the City of Washington is hereby designated as a “Recovery Zone” within the meaning of Section 1400U-1 of the Internal Revenue Code of 1986, as amended.

Approved and adopted this 28th day of May, 2010.

ADJOURNMENT: Meeting adjourned at 5:21 PM.

_____MAYOR

_____CLERK