

ORDINANCE No. 111396

COUNCIL BILL No. 103581

The City of Seattle--Legislative

REPORT OF COMMITTEE

AN ORDINANCE creating The City of Seattle Industrial Development Corporation, approving its charter, establishing a board of directors to govern its affairs, defining a quorum, and providing the manner in which the public corporation shall conduct its affairs; and adding a new Chapter 3.116 to the Seattle Municipal Code.

Honorable President:

Your Committee on finance

to which was referred the within Council Bill No. 103581 report that we have considered the same and respectfully recommend

10-20-83 Pass as Engrossed

CIP TROLLER FILE No. 292275

Introduced: <u>MAR 28 1983</u>	By: <u>EXECUTIVE REQUEST</u>
Referred: <u>MAR 28 1983</u>	To: <u>finance</u>
Referred:	To:
Referred:	To:
Reported: <u>OCT 24 1983</u>	Second Reading: <u>OCT 24 1983</u>
Third Reading: <u>OCT 24 1983</u>	Signed: <u>OCT 24 1983</u>
Presented to Mayor: <u>OCT 25 1983</u>	Approved: <u>OCT 31 1983</u>
Returned to City Clerk: <u>OCT 31 1983</u>	Published:
Vetoed by Mayor:	Veto Published:
Passed over Veto:	Veto Sustained: <input checked="" type="checkbox"/>

Norman B. Rice
Committee Chair

Bill No. 111396

Bill No. 103581

top

The City of Seattle--Legislative Department

...ing The City of Seattle
...velopment Corporation,
...s charter, establishing a
...ctors to govern its affairs.
...orum, and providing the
...ch the public corporation
...t its affairs; and adding
...r 3.116 to the Seattle
...l.

Date Reported
and Adopted

REPORT OF COMMITTEE

Honorable President:

*10-20-83 Pass as
Engrossed*

Your Committee on finance

to which was referred the within Council Bill No. 103581

report that we have considered the same and respectfully recommend that the same:

Bill No. 292275

8 1983	By: EXECUTIVE REQUEST
28 1983	To: <i>finance</i>
	To:
	To:
1983	Second Reading: OCT 24 1983
4 1983	Signed: OCT 24 1983
1983	Approved: OCT 31 1983
1983	Published:
	Veto Published:
	Veto Sustained:

Pass as Engrossed

Norman B. Rice
Committee Chair

111396

<input type="checkbox"/>	LIGHT	<input type="checkbox"/>	HEALTH
<input type="checkbox"/>	ENG	<input type="checkbox"/>	PARKS
<input type="checkbox"/>	DCLU	<input type="checkbox"/>	L & CA
<input type="checkbox"/>	DCD	<input type="checkbox"/>	
<input checked="" type="checkbox"/>	LAW	<input type="checkbox"/>	

ORD. 111396 -Amendments & Re to

- C.F.293126 -Apmt. of David Hsiao as member, Brd. of Dir.'s, City of Seattle Ind. Development Corp.
- C.F.293127 -Apmt. of Gary L. Wolfstone as member, Brd. of Dir.'s, City of Seattle Ind. Development Corp.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

ORDINANCE 111396

AN ORDINANCE creating The City of Seattle Industrial Development Corporation, approving its charter, establishing a board of directors to govern its affairs, defining a quorum, and providing the manner in which the public corporation shall conduct its affairs; and adding a new Chapter 3.116 to the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Seattle Municipal Code is amended by adding thereto a new Chapter 3.116., as follows.

Section 3.116.010. Corporation created; Charter approved.

The City of Seattle Industrial Development Corporation (called the "Corporation") is hereby established under the authority of and to implement Amendment 73 of the Washington Constitution (Article XXXII, Section 1) and RCW Chapter 39.84 (Chapter 300, Laws of 1981), as now existing or hereafter amended. The Charter, an unexecuted copy of which is attached as Exhibit "A", is approved, and the Mayor and City Comptroller shall execute and issue a duplicate original as the Charter of The City of Seattle Industrial Development Corporation.

Section 3.116.020. Amendments; dissolution. The City reserves the right, in its discretion, by ordinance, at any time, to alter or change the structure, organizational programs, or activities of the Corporation, including termination or dissolution of the Corporation if contracts made by the public corporation are not impaired. Any net earnings of the Corporation beyond those necessary for the retirement of the indebtedness incurred by it shall inure exclusively to the benefit of The City of Seattle (called "the City"). Upon dissolution of the Corporation, title to all property owned by the Corporation shall vest in the City.

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

Section 3.116.030. Board of Directors; Quorum; Meetings.

The Board of Directors (called the "Board") shall govern the affairs of the Corporation. The Board shall be comprised of:

(1) The Chairperson of the City Council's Finance Committee, the Mayor of Seattle and three representatives from the private sector. The Mayor shall recommend the appointments of the Directors from the private sector to the City Council for confirmation. If the Chairperson of the City Council's Finance Committee declines to serve, the Vice Chairperson of the Finance Committee shall serve as Director. The public officials on the Board shall serve for a term coincident with his or her term of office. The Directors from the private sector shall serve for a term of one year. The Chairperson of the Finance Committee shall be permitted to designate ~~another~~ ~~City Council member~~ as an alternate. The Mayor shall be permitted to designate the Director of OMB as an alternative.

(2) Vacancies shall be filled in the same manner as that used for original appointments.

Disregard
(no change)
NBR

1 A majority of the Board (three out of five members)
2 shall constitute a quorum for the conduct of meetings;
3 the Board shall take action only pursuant to a majority vote
4 of its members; two members may call a special meeting; and,
5 when a quorum is lacking, a majority of those present may
6 recess or adjourn the meeting as provided in RCW 42.30.090.

7 The Board shall select its own officers and the officers
8 of the Corporation, provide for the conduct of its meetings,
9 and the keeping of its records and the records of the
10 Corporation. RCW Chapter 42.30, the Open Public Meetings
11 Act of 1971, as now existing or hereafter amended, shall
12 apply to meetings of the Board.

13 Section 3.116.040. Powers of Board. The Board shall
14 have the power to adopt, amend, and rescind the by-laws of
15 the Corporation, which control its activities and internal
16 affairs; to establish offices sub-ordinate to those created
17 in the Corporation Charter and to assign duties; to employ
18 staff and consultants; to provide for their compensation and
19 the compensation of members of the Board; to approve and
20 authorize the execution of Corporate transactions; to
21 establish offices and control the property of the Corporation;
22 to establish fees and charges for services; and to exercise
23 those powers ancillary or incidental to governance of the
24 affairs of the Corporation and to carrying out the power
25 conferred by RCW 39.84.080. The Board may delegate
26 administrative, managerial, and ministerial duties to the
27 officers and employees of the Corporation.
28

1 Section 3.116.050. Revenue Bonds. Revenue bonds issued
2 by the Corporation shall not constitute a debt of the City in
3 any way or pledge any of the faith and credit of the City to
4 pay principal or interest thereon. The revenue bonds shall be
5 payable solely from both the revenues derived as a result of
6 the industrial development facilities funded by the revenue
7 bonds, including, without limitation, amounts received under
8 the terms of any additional security furnished by the user of
9 the industrial development facility in connection with the
10 financing thereof, and money and other property received from
11 private sources. No tax funds or governmental revenue may be
12 used to pay the principal or interest thereon.

13 Section 3.116.060. Acceptance of Compensation by
14 Directors. A member of the Board may accept the reimbursement
15 of expenses and a reasonable per diem compensation authorized
16 by resolution of the Board measured by time expended in preparing
17 for meetings, attending meetings, and supervising corporate
18 affairs.

19 Section 3.116.070. Indemnity. The Corporation shall hold
20 the City harmless from any and all claims, lawsuits, judgments
21 and other liabilities that arise against the Corporation, the
22 City, or the Corporation and the City jointly, as a result of
23 the transactions, actions, or omissions of the Corporation,
24 and to appear and defend the proceedings for such purposes at
25 its cost and expense.

26 Section 3.116.080. Audit. The books and records and
27 transactions of the Corporation shall be subject to audit by
28 the State Auditor and the City Comptroller at all times.

Section 3.116.090. Completion of Exhibit "A" and Charter.

The City Comptroller is authorized to complete Exhibit "A", attached, and the Corporate charter issued by inserting the series number of this ordinance in its Articles 3, 4, and 6 and in the appropriate sections of its bylaws.

- 1
- 2
- 3
- 4
- 5
- 6
- 7
- 8
- 9
- 10
- 11
- 12
- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28

Section 2. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 24th day of October, 1983, and signed by me in open session in authentication of its passage this 24th day of October, 1983.

Leatha Williams
President of the City Council.

Approved by me this 31st day of October, 1983.
Charles Roper
Mayor.

Filed by me this 31st day of October, 1983.

Attest: *Jim Hill*
City Comptroller and City Clerk.

(SEAL)

Published

By *Robert J. Mittelstadt*
Deputy Clerk.

CHARTER
OF
THE CITY OF SEATTLE INDUSTRIAL DEVELOPMENT CORPORATION

ARTICLE 1

Name

The name of this public corporation is The City of Seattle Industrial Development Corporation.

ARTICLE 2

Duration

The period of duration of this public corporation is perpetual.

ARTICLE 3

Purposes

The purposes of this public corporation are to facilitate local economic development and employment opportunities in the City of Seattle (the "City") to the full extent and by any means permitted by Chapter 39.84 of the Revised Code of Washington (Chapter 300, Laws of Washington, 1981) and by Washington Constitution Article XXXII, Section 1, (Amendment 73) "The Special Revenue Financing Laws," as now or hereafter amended, both collectively referred to in this Charter as the "Local Economic Development Act of 1981;" and to act on behalf of The City of Seattle as an authority and an instrumentality thereof within the

meaning of Section 103 of the United States Internal Revenue Code of 1954, as amended, and the Treasury regulations and Internal Revenue Service rulings issued pursuant thereto, for the specific public purposes authorized by the Local Economic Development Act of 1981; and to implement Ordinance 111396.

ARTICLE 4

Powers

The public corporation shall have all of the powers granted to public corporations by the Local Economic Development Act of 1981, as now existing or hereafter amended, including all powers necessary or incidental to specific powers granted thereby, and shall be subject to any limitations stated therein. It shall also have those powers and be subject to the limitations contained in Ordinance 111396 and this Charter.

ARTICLE 5

Limitations on Authority

This public corporation shall be subject to all limitations set forth in the Local Economic Development Act of 1981 of the State of Washington, including the following limitations on its authority:

5.1 General. It is not a municipal corporation or political subdivision within the meaning of the Constitution and laws of the State of Washington. It shall neither have nor be delegated any

attributes of sovereignty, including but not limited to the power to tax, the power of eminent domain and the police power. It shall not receive or accept gifts or loans of any money or property from any municipality.

5.2 Limitations on Revenue Obligations.

a. Nonrecourse revenue bonds and other nonrecourse revenue obligations issued pursuant to this section shall be payable only from money or other property received as a result of projects financed by the nonrecourse revenue bonds or other nonrecourse revenue obligations and from money and other property received from private sources.

b. Nonrecourse revenue bonds and other nonrecourse revenue obligations issued pursuant to this section shall not be payable from or secured by any tax funds or governmental revenue or by all or part of the faith and credit of the state or any unit of local government.

c. Nonrecourse revenue bonds or other nonrecourse revenue obligations issued pursuant to this section may be issued only if the issuer certifies that it reasonably believes that the interest paid on the bonds or obligations will be exempt from income taxation by the federal government.

d. Nonrecourse revenue bonds or other nonrecourse revenue obligations may only be used to finance industrial development projects as defined in legislation.

e. The state, counties, cities, towns, port districts, or public corporations established thereby, shall never exercise their respective attributes of sovereignty, including but not

limited to, the power to tax, the power of eminent domain, and the police power on behalf of any industrial development project authorized pursuant to this section.

5.3 Prerequisites to the Issuance of Revenue Bonds. It shall not issue revenue bonds unless:

a. The issuance is approved by both the City and, if the proposed industrial development facility lies outside the City, the (city, town or county) within whose planning jurisdiction the proposed industrial development facility lies; and

b. The board of directors in accordance with an opinion obtained from bond counsel, makes a finding that, in the Board's opinion, the interest paid on the bonds will be exempt from federal income taxation.

5.4 Nature and Payment of Revenue Bonds. All revenue bonds issued by it:

a. Shall not be deemed (i) to constitute a debt of the State of Washington, of the City or of any other municipal corporation, quasi-municipal corporation, subdivision or agency of the State of Washington or (ii) to pledge any or all of the faith and credit of any of those entities;

b. Shall be payable solely from both revenues derived in any manner as a result of the industrial development facilities funded by the revenue bonds and money and other property received from private sources; and

c. Shall contain on the face of each bond statements to the effect that (i) neither the State of Washington, the City or any other municipal corporation, quasi-municipal corporation, subdivision or agency of the State of Washington is obligated to pay the principal or interest thereon; (ii) no tax funds or governmental revenue may be used to pay the principal or interest thereon; and (iii) neither any or all of the faith and credit nor the taxing power of the State of Washington, the City or any other municipal corporation, quasi-municipal corporation, subdivision or agency thereon is pledged to the payment of the principal of or the interest on the revenue bond.

5.5 Obligations Generally. It may incur only those financial obligations which will be paid from revenues received pursuant to financing documents providing funds to pay or secure debt service on revenue bonds, from fees or charges paid by users or prospective users of the industrial development facilities funded by the revenue bonds, or from the proceeds of revenue bonds, and which are authorized by its Board of Directors.

ARTICLE 6

Board of Directors

6.1 Power. The Board of Directors shall govern the affairs of the public corporation. The Board shall have the power to adopt, amend, and rescind the by-laws of the Corporation, which control its activities and internal affairs; to establish offices sub-ordinate to those created in the Corporation Charter and to assign duties; to employ staff and consultants; to provide for

their compensation and the compensation of members of the Board; to approve and authorize the execution of Corporate transactions; to establish offices and control the property of the Corporation; to establish fees and charges for services; and to exercise those powers ancillary or incidental to governance of the affairs of the Corporation and to carrying out the power conferred by RCW 39.84.080. The Board may delegate administrative, managerial, and ministerial duties to the officers and employees of the Corporation.

A majority of the Board (three out of five members) shall constitute a quorum for the conduct of meetings and taking other actions; two members may call a special meeting; and, when a quorum is lacking, a majority of those present may recess or adjourn the meeting as provided in RCW 42.30.090.

6.2 Membership. The board of directors shall consist of the five members as provided in Ordinance 111396.

6.3 Designation; Term; and Vacancies. The City Councilmember designated by Ordinance 111396, the Mayor and three members from the private sector to be designated according to Ordinance 111396 shall, upon taking their oath of office, compose the initial board of directors.

6.4 Resignation. A Director may resign at any time upon giving seven (7) days notice.

6.5 Quorum. Three members of the Board shall constitute a quorum for the conduct of meetings and taking other sections. Two members may call a special meeting. When a quorum is lacking, a majority of those present may recess or adjourn the meeting as provided in RCW 42.30.090.

6.6 Open Public Meetings Act. The Open Public Meetings Act, RCW Chapter 42.30, shall apply to meetings of the Board.

6.7 Indemnification. To the same extent permitted by the Washington Trust Act (RCW Chapter 30.99 as now or hereafter amended), this public corporation shall indemnify any person who was or is a party or is threatened to be made a party to any civil, administrative, or investigative action, suit, or proceeding by reason of the fact that he or she is or was a director or officer of the corporation or by reason of any alleged act or omission in such capacity against expenses (including attorneys' fees), judgements, fines, and amounts paid in settlement actually and reasonably incurred by him or her in connection with such action, suite or proceeding; and the Board of Directors may, at any time, approve indemnification of any other person whom the corporation has the power to indemnify under the provisions of any applicable law. The indemnification provided by this section shall not be deemed exclusive of any other rights to which a person may be entitled as a matter of law or by contract and shall inure to the benefit of the estate, legal representatives and heirs of the person entitled to indemnification.

ARTICLE 7

Prohibition of Interest

No director, officer, agent or employee of this public corporation shall have, directly or indirectly, any financial interest in any property to be included in or any contract for property, services, or materials to be furnished or used in connection with any industrial development facility financed through this public corporation, and no person having any such interest shall be eligible to serve as a director, officer, agent or employee of this public corporation.

ARTICLE 8

Financial Statements, Books and Records

The financial statements, books and records of this public corporation shall be subject to examination by the State of Washington and City, which shall have access thereto at all times.

ARTICLE 9

Bylaws

The board of directors shall adopt bylaws to govern the activities and internal affairs of this public corporation consistent with this Charter.

ARTICLE 10

Amendments

The City in its discretion and at any time may by an ordinance amend or repeal the Charter, and change or terminate the programs and activities of public corporation or terminate or dissolve this public corporation if such action does not have the effect of impairing any contract of this public corporation.

ARTICLE 11

Dissolution

The net earnings, if any, of this public corporation beyond those necessary for retirement and indebtedness incurred by it shall not inure exclusively to the benefit of the City. The City may by the passage of an ordinance dissolve this public corporation if it has no funds or property to administer except those, if any, that are to be paid or transferred to the City and all of its outstanding obligations have been satisfied. Upon dissolution of this public corporation, title to all property owned by it shall vest in the City.

ARTICLE 12

Designation of Initial Office and Agent for Service of Process

The address of the initial office of this public corporation is The City of Seattle Industrial Development Corporation, 400 Yesler Building, Seattle, Washington 98104 and its agent for service of process at that address is the Secretary of the public corporation.

ARTICLE 13

Interpretation and Glossary

This Charter shall be interpreted to carry out the Local Economic Development Act of 1981 and Ordinance 111396 ; and, unless the context clearly indicates otherwise, any word used in this Charter and defined in RCW 39.84.020 shall have the meaning contained in RCW 39.84.020.

APPROVED by Ordinance No. 111396 adopted by the City on October 31, 19 83.

BYLAWS
OF
THE CITY OF SEATTLE INDUSTRIAL DEVELOPMENT CORPORATION

ARTICLE 1

OFFICES

The principal office of The City of Seattle Industrial Development Corporation ("the corporation") shall be located at 400 Yesler Building, Seattle, Washington 98104. The corporation may have such other offices as the Board of Directors ("Board") may designate or as the affairs of the corporation may require from time to time.

ARTICLE 2

Meetings of Directors

2.1 Annual Meeting. The annual Board meeting shall be held each year on a date and at a time designated by the Board for the purpose of electing officers and transacting such other business as may come before the meeting.

2.2 Regular Meetings. By resolution, the Board may provide the time and place for holding additional regular meetings without other notice than such resolution.

2.3 Special Meetings. Special Board meetings may be called by or at the request of the Chair or any two directors. Special meetings shall be held at the corporation's principal office or at another location fixed by the person or persons who call the meeting.

2.4 Notice. Written notice of each special Board meeting shall be delivered to each director personally or by mail to his or her business address at least 24 hours before the time of the meeting specified in the notice. If the notice is mailed, it shall be deemed to be delivered on the second business day after it has been deposited in the United States mail in King County, Washington, properly addressed, with postage prepaid. The attendance of a director at a meeting shall constitute a waiver of notice of such meeting, unless the director objects on the record to the failure to give notice. The notice of a special meeting shall state the business to be transacted.

2.5 Presumption of Assent. A director of the corporation present at a Board meeting at which action on any corporate matter is taken shall be presumed to have assented to the action taken unless

(a) the Director votes "nay" on a record vote;

(b) the Director's dissent is entered in the minutes of the meeting;

(c) the Director files his or her written dissent with the secretary at, before, or immediately after the meeting;

(d) the Director delivers a written dissent to the Secretary of the Corporation on the next business day or sends the Secretary his or her dissent by certified mail on the day following the adjournment of the meeting.

2.6 Compliance with Open Public Meetings Act. All Board meetings shall be held and conducted in compliance with the Open Public Meetings Act, RCW Chapter 42.30, including the holding of executive sessions as provided therein.

2.7 Compensation. By Board resolutions, directors may be paid their expenses, if any, of attendance at each Board meeting or a fixed sum for attendance at each Board meeting.

2.8 Resignation. Any director may resign at any time effective by 7 days written notice to the Chairman or the Secretary of the corporation.

ARTICLE 3

Officers

3.1 Number. The officers of the corporation shall be a Chair, a Vice Chair, a Secretary, and a Treasurer, each of whom shall be elected by the Board. Any two or more offices may be held by the same person, except the offices of Chair, Secretary and Treasurer.

3.2 Election and Term of Office. The officers of the corporation shall be elected annually by the Board at its annual meeting for a one year term. If the election of officers is not held at such meeting or a deadlock occurs, the Board shall hold elections for the office as soon thereafter as a Board meeting may conveniently be held. Unless he or she resigns or is removed, each officer shall hold office until the next annual Board meeting at which his or her successor has been elected and until the successor qualifies.

3.3 Chair. The Chair shall be the principal executive officer of the corporation and, subject to the Board's control, shall supervise and control all of the activities and affairs of the corporation. He or she shall preside over all Board meetings.

He or she may sign leases, subleases, installment or conditional sales agreements, loan agreements, guaranties, trust indentures, deeds, mortgages, bonds, contracts, or other instruments that the Board has authorized to be executed, except when the signing and execution thereof has been expressly delegated by the Board or by these Bylaws to some other officer or agent of the corporation or is required by law to be otherwise signed or executed by some other officer or in some other manner. In general, he or she shall perform all duties incident to the office of Chair and such other duties as may be prescribed by the Board from time to time.

3.4 Vice Chair. In the absence of the Chair or in the event of his or her death, inability, or refusal to act, the Vice Chair shall perform the duties of the Chair, and when so acting, shall have all the powers of and be subject to all the restrictions upon the Chair. The Vice Chair shall perform such other duties as from time to time may be assigned to him or her by the Chair or by the Board.

3.5 Secretary. The Secretary shall: (a) keep the minutes of Board meetings in one or more books provided for that purpose; (b) see that all notices are duly given in accordance with the provisions of these Bylaws; (c) be custodian of the corporate records and of the seal of the corporation; and (d) in general perform all duties incident to the office of Secretary and such other duties as from time to time may be assigned to him or her by the Chair or by the Board.

3.6 Treasurer. If required by the Board, the Treasurer (and any assistant treasurers) shall give a bond for the faithful discharge of his or her duties in such sum and with such surety or sureties as the Board shall determine. He or she shall have charge and custody of and be responsible for all funds and securities of the corporation; receive and give receipts for moneys due and payable to the corporation from any source whatsoever, and deposit all such moneys in the name of the corporation in such banks, trust companies, or other depositaries as shall be selected in accordance with the provisions of these Bylaws and in general perform all of the duties incident to the office of Treasurer and such other duties as from time to time may be assigned to him or her by the Chair or by the Board.

3.7 Compensation. The compensation, if any, of the officers shall be fixed from time to time by the Board, and no officer shall be prevented from receiving such compensation by reason of the fact that he or she is also a director of the corporation.

3.8 Resignation. Any officer may resign at any time by delivering written notice to the Chair or the Secretary of the corporation.

3.9 Removal. Any officer or agent elected or appointed by the Board, may be removed by the Board whenever in its judgement the best interests of the corporation would be served thereby.

3.10 Vacancies. A vacancy in any office because of death, resignation, removal, disqualification, or otherwise, may be filled by the Board for the unexpired portion of the term.

ARTICLE 4

Contracts, Loans, Checks, and Deposits

4.1 Contracts. The Board may authorize any officer or officers, agent or agents, to enter into any contract or execute and delivery any instrument in the name of and on behalf of the corporation, and such authority may be general or confined to specific instances. The execution of any instrument on behalf of the corporation by a person then an officer or agent duly authorized to do so shall remain valid and effective for all purposes notwithstanding that such person ceases to hold office or to be an agent prior to the delivery thereof.

4.2 Loans. No loans shall be contracted on behalf of the corporation and no evidences of indebtedness shall be issued in its name unless authorized by a resolution of the Board. Such authority may be general or confined to specific instances.

4.3 Checks, Drafts, Etc. All checks, drafts, or other orders for the payment of money, notes, or other evidences of indebtedness issued in the name of the corporation, shall be signed by such officer or officers, agent or agents, of the corporation and in such manner as is from time to time determined by resolution of the Board.

4.5 Deposits. All funds of the corporation not otherwise employed shall be deposited from time to time to the credit of the corporation in such banks, trust companies, or other depositaries as the Board may select.

ARTICLE 5

Fiscal Year

The fiscal year of the corporation shall be as set by resolution of the Board.

ARTICLE 6

Seal

The seal of this corporation shall consist of the name of the corporation, and the state and year in which it was chartered.

ARTICLE 7

Amendments

These Bylaws may be altered, amended, or repealed and new Bylaws may be adopted by the Board at any regular or special meeting of the Board, which amendments shall not be inconsistent with the Charter.

ARTICLE 8

Rules of Order

The rules contained in the most recent edition of Reeds Parliamentary Procedure shall govern all meetings of directors except when those rules are inconsistent with the Charter, Bylaws, or special rules of order of the corporation.

Adopted by the Board of Directors on _____,
19____.

60
F42

RECEIVED

MAY 10 1983

ROBERTS & SHEFELMAN

A PARTNERSHIP INCLUDING PROFESSIONAL CORPORATIONS

COUNSEL
HAROLD S. SHEFELMAN

4100 SEAFIRST FIFTH AVENUE PLAZA
800 FIFTH AVENUE
SEATTLE, WASHINGTON 98104-3178

NORMAN B. RICE

OF COUNSEL
WILLIAM N. APPEL
ROBERT F. BUCK

JAMES GAY	DAVID B. BUKEY
ROBERT G. MOCH	BLAIR B. BURROUGHS
GEORGE M. MACK	JUDITH A. SHULMAN
BRIAN L. COMSTOCK, P.S.	WALTER T. FEATHERLY III*
TIMOTHY R. CLIFFORD, P.S.	MICHAEL H. RORICK**
LEE R. VOORHEES, JR.	AMY H. GALLAGHER
DAVID B. SWEENEY	DEAN E. JOHNSON
WILLIAM C. TONKIN	MICHAEL D. KUNTZ
DAVID A. BENNETT, P.S.	EDWIN D. RAUZI
ROBERT H. CAMPBELL	EMILY C. VRIEZE
ROBERT G. MULLENDORF**	BENNET A. MCCONAUGHY
CARY N. ACKERMAN, P.S.	STEVEN R. PORTER*
ROGER A. MYRLEBUST	JONI H. OSTEBOGAARD
PAUL W. KOVAL, P.C.*	HUGH D. SPITZER
ROGER W. DUBROCK, P.C.*	DOUGLAS C. ROSS
JON W. MACLEOD	ANNE E. BRAKEBILL
PAUL L. AHERN, JR.	DAVID P. FRANK*
TERESA V. BIGELOW	DARRYL S. VITGOAN

(206) 622-1818 TELEX 32-1032
TELECOPIER - (206) 624-2666

RETIRED
VICTOR D. LAWRENCE
JAMES C. HARPER

JAMES P. WETER (877-1056)
F. M. ROBERTS (880-1073)

ANCHORAGE OFFICE
SUITE 1500
2550 DENALI STREET
ANCHORAGE, ALASKA 99503-2710
(907) 278-1558
TELECOPIER - (907) 272-8332

*ALASKA BAR **ALASKA AND WASHINGTON BARS
ALL OTHERS WASHINGTON BAR ONLY

May 9, 1983

Hon. Norm Rice, Chair
Finance Committee
Seattle City Council
1100 Municipal Building
Seattle, Washington 98104

Re: Selection of Bond Counsel for Seattle IDBs

Dear Norm:

This letter is in response to your request that I put in writing my comments to the Finance Committee concerning the selection of bond counsel for IDBs issued by the City of Seattle's Industrial Development Corporation.

The only material discussing the selection of bond counsel for Seattle IDBs is contained at page 10 of a document entitled "City of Seattle Industrial Revenue Bond Program", transmitted by Mayor Royer to Jeannette Williams on March 22, 1983. That proposal suggests that bond counsel be selected by a borrowing company (or "User"), from a list of bond counsel approved by the Industrial Development Corporation (the "Corporation"). The March 22, 1983 program document states that the selection of bond counsel from a list of qualified firms insures that more than one firm have an opportunity to participate in these projects.

Provisions concerning bond counsel are not included in any of the ordinances before the counsel in connection with IDB's, nor do the articles and bylaws of the Corporation refer to bond counsel; I assume that the process for selecting bond counsel will be in some manner formalized by rules issued by the Corporation.

Hon. Norm Rice, Chair
May 9, 1983
Page two

Our major concern is the proposal in the program document that bond counsel be selected by the "User" corporation. As you know, several lawyers are involved in an industrial development bond issue. The borrowing company will usually be represented by an attorney of its choice; often an investment banker or underwriter involved in the financing will choose an attorney who will give an opinion on certain aspects of the transaction. In a large industrial revenue bond issue the trustee bank and/or the bank that may issue a letter of credit in connection with the issue, will also appoint counsel. None of these lawyers, if they are involved, represents the interests of the public corporation that issues the bonds. In Washington, bond counsel do represent the issuing entity, as well as the interests of the bondholders. Therefore we believe it is important that bond counsel both be chosen and appointed by the Industrial Development Corporation rather than by the borrowing company.

Because bond counsel must issue an opinion as to whether or not the bonds are being issued in conformance with state law, and whether they are in fact tax-exempt under federal law, on occasion bond lawyers must object to certain aspects of the transaction or refuse to give an opinion approving issuance of the bonds. If bond counsel are chosen by the borrowing companies, there could conceivably be pressure on bond lawyers to give approving opinions if they wish to be selected to serve in the future. In other words, the choice of bond counsel by the borrower could hinder the ability of bond counsel to give an independent opinion.

It may be bothersome for the Corporation to select bond counsel for every small IDB that is issued. Therefore the Corporation may wish to consider a competitive selection process to choose bond counsel for smaller IDBs, e.g., those up to \$2,000,000; there would then be a separate competition for each issue above the \$2,000,000 figure. This \$2,000,000 amount is given by way of example, and may or may not be the most practical break point. But I believe the principle of having one bond counsel for smaller issues, chosen on the basis of experience and a willingness to negotiate a reasonable fee, might make sense from the Corporation's standpoint.

As I noted in my oral testimony on May 5, 1983, the Corporation should discuss with the City Attorney whether the process for selection of bond counsel, and other aspects of the program set forth in the March 22, 1983 program document, should be incorporated into rules issued by the Corporation in conformance with Seattle's Administrative Code.

Hon. Norm Rice, Chair
May 9, 1983
Page three

Thank you for your consideration. If you have any questions concerning these or other aspects of industrial revenue bonds, please feel free to contact me, or George Mack or Amy Gallagher of our office.

Sincerely,

ROBERTS & SHEFELMAN

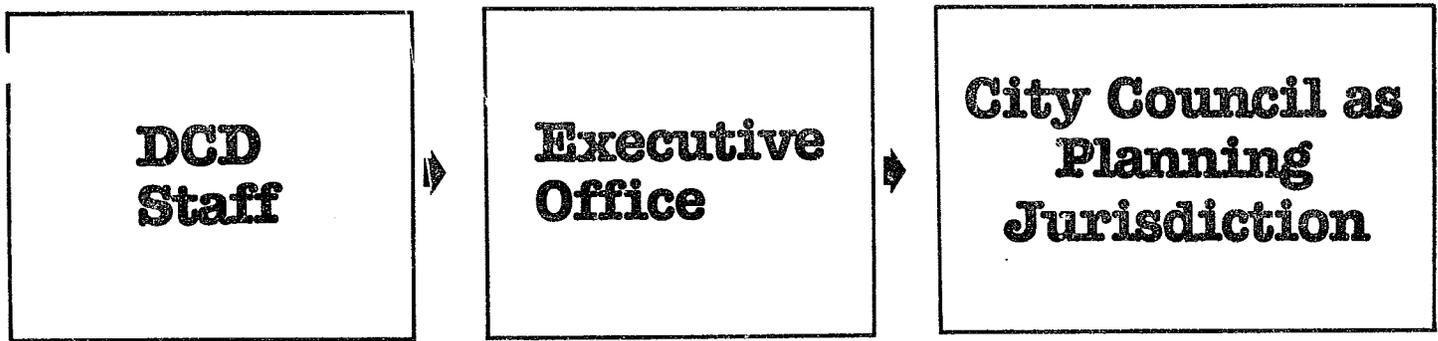


Hugh D. Spitzer

HDS/vc

cc: Hon. Sam Smith
Hon. Virginia Galle
Hon. Jeannette Williams
Ms. Beryl Fernandez
Mr. Tom Brunton

Planning Approval Process



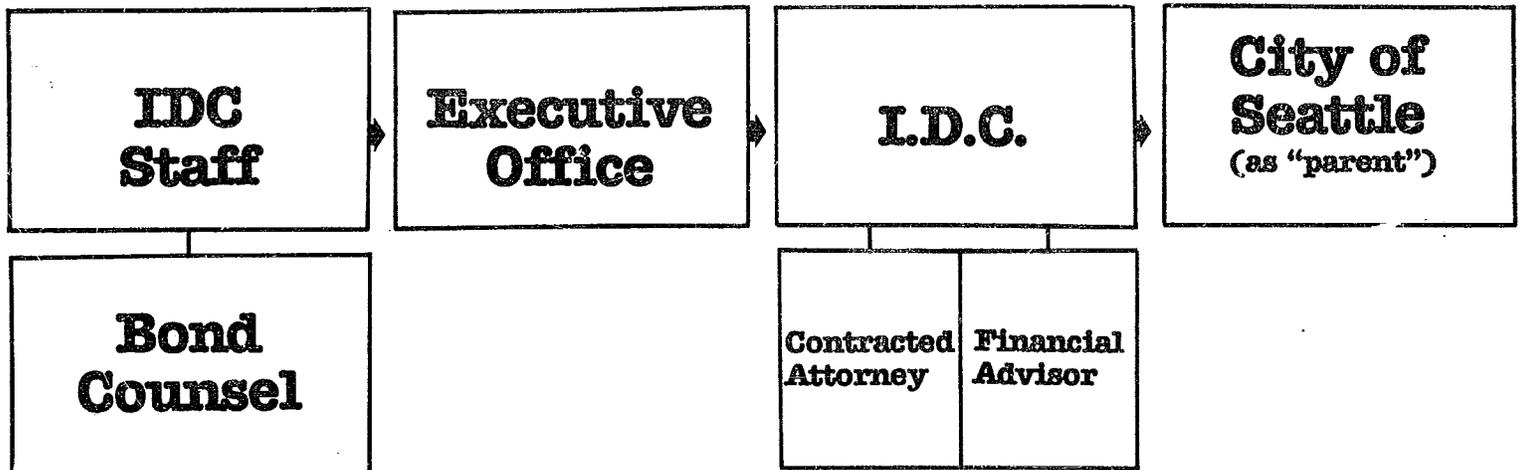
● Staff Analysis

● OMB/Mayors Office reviews

● Approves/Disapproves

SEATTLE IDC APPROVAL PROCESS

First Stage - Inducement Resolution



- Review and analysis of project

- Submits staff analysis to Executive

- Review of IDC staff analysis by OMB and Mayor's Office

- Upon approval, Executive submits to the IDC.

- IDC Reviews staff analysis

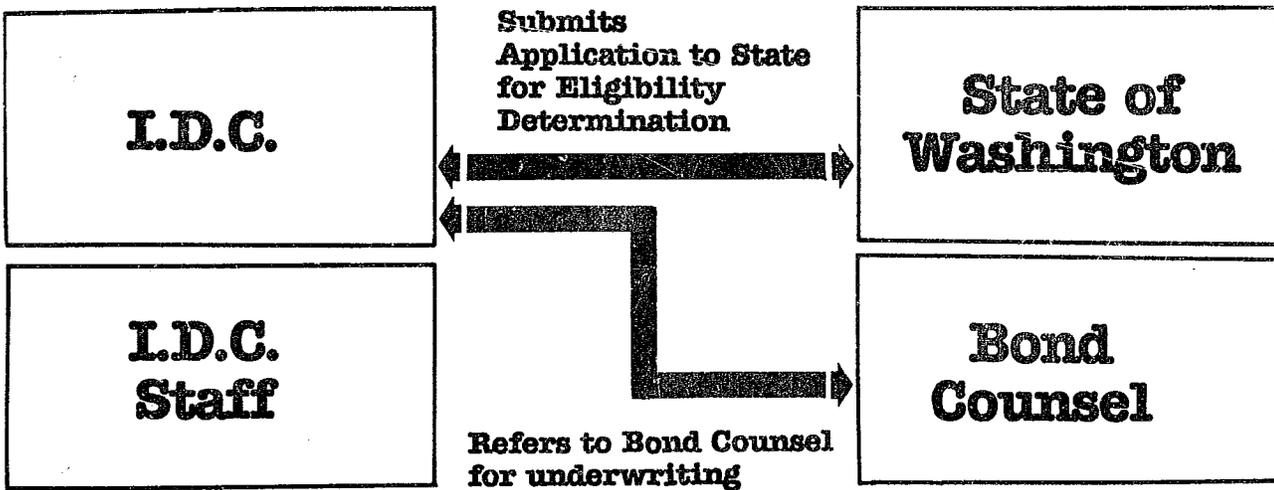
- Procures financial advisor and separate attorney if necessary

- Public hearing

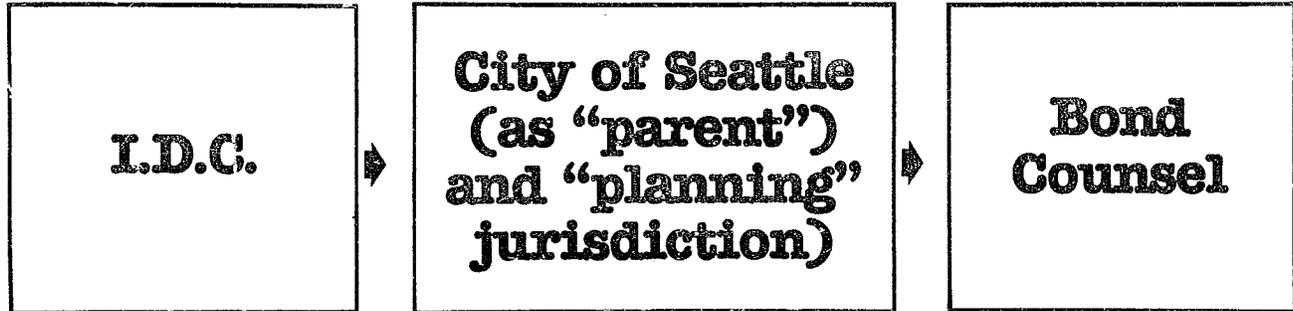
- Issues and approves letter of Inducement

- City Council Approval/ Disapproval of Letter of Inducement

Second Stage



Third Stage



- Final approval: "in reliance upon delivery of an approving legal opinion of board counsel" regarding bond's tax-exempt status

subject to City approval as "parent" and "planning jurisdiction"

- City Council and Mayor's final approval/disapproval

- Legal opinion regarding bonds tax-exempt status

AN ORDINANCE creating The City of Seattle Industrial Development Corporation, approving its charter, establishing a board of directors to govern its affairs, defining a quorum, and providing the manner in which the public corporation shall conduct its affairs; and adding a new Chapter 3.116 to the Seattle Municipal Code.

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Seattle Municipal Code is amended by adding thereto a new Chapter 3.116., as follows.

Section 3.116.010. Corporation created; Charter approved.
The City of Seattle Industrial Development Corporation (called the "Corporation") is hereby established under the authority of and to implement Amendment 73 of the Washington Constitution (Article XXII, Section 1) and RCW Chapter 39.84 (Chapter 300, Laws of 1981), as now existing or hereafter amended. The Charter, an unexecuted copy of which is attached as Exhibit "A", is approved, and the Mayor and City Comptroller shall execute and issue a duplicate original as the Charter of The City of Seattle Industrial Development Corporation.

Section 3.116.020. Amendments; dissolution. The City reserves the right, in its discretion, by ordinance, at any time, to alter or change the structure, organizational programs, or activities of the Corporation, including termination or dissolution of the Corporation if contracts made by the public corporation are not impaired. Any net earnings of the Corporation beyond those necessary for the retirement of the indebtedness incurred by it shall inure exclusively to the benefit of The City of Seattle (called "the City"). Upon dissolution of the Corporation, title to all property owned by the Corporation shall vest in the City.

Section 3.116.030. Board of Directors; Quorum; Meetings.
The Board of Directors (called the "Board") shall govern the affairs of the Corporation. The Board shall be comprised of:

- (1) The Chairperson of the City Council's Finance Committee, the Mayor of Seattle and three representatives from the private sector. The Mayor shall recommend the appointments of the Directors from the private sector to the City Council for confirmation. If the Chairperson of the City Council's Finance Committee declines to serve, the Vice Chairperson of the Finance Committee shall serve as Director. The public officials on the Board shall serve for a term coincident with his or her term of office. The Directors from the private sector shall serve for a term of one year. The Chairperson of the Finance Committee shall be permitted to designate another City Councilmember as an alternate. The Mayor shall be permitted to designate the Director of OMB as an alternative.

- (2) Vacancies shall be filled in the same manner as that used for original appointments.

A majority of the Board (three out of five members) shall constitute a quorum for the conduct of meetings; the Board shall take action only pursuant to a majority vote of its members; two members may call a special meeting; and, when a quorum is lacking, a majority of those present may recess or adjourn the meeting as provided in RCW 42.30.090.

The Board shall select its own officers and the officers of the Corporation, provide for the conduct of its meetings, and the keeping of its records and the records of the Corporation. RCW Chapter 42.30, the Open Public Meetings Act of 1971, as now existing or hereafter amended, shall apply to meetings of the Board.

Section 3.116.040. Powers of Board. The Board shall have the power to adopt, amend, and rescind the by-laws of the Corporation, which control its activities and internal affairs; to establish offices sub-ordinate to those created in the Corporation Charter and to assign duties; to employ staff and consultants; to provide for their compensation and

the compensation of members of the Board; to approve and authorize the execution of Corporate transactions; to establish offices and control the property of the Corporation; to establish fees and charges for services; and to exercise those powers ancillary or incidental to governance of the affairs of the Corporation and to carrying out the power conferred by RCW 39.84.080. The Board may delegate administrative, managerial, and ministerial duties to the officers and employees of the Corporation.

Section 3.116.050. Revenue Bonds. Revenue bonds issued by the Corporation shall not constitute a debt of the City in any way or pledge any of the faith and credit of the City to pay principal or interest thereon. The revenue bonds shall be

Directors from the private sector shall serve for a term of one year. The Chairperson of the Finance Committee shall be permitted to designate another City Council member as an alternate. The Mayor shall be permitted to designate the Director of OMB as an alternative.

(2) Vacancies shall be filled in the same manner as that used for original appointments.

A majority of the Board (three out of five members) shall constitute a quorum for the conduct of meetings; the Board shall take action only pursuant to a majority vote of its members; two members may call a special meeting; and, when a quorum is lacking, a majority of those present may recess or adjourn the meeting as provided in RCW 42.30.090.

The Board shall select its own officers and the officers of the Corporation, provide for the conduct of its meetings, and the keeping of its records and the records of the Corporation. RCW Chapter 42.30, the Open Public Meetings Act of 1971, as now existing or hereafter amended, shall apply to meetings of the Board.

Section 3.116.040. Powers of Board. The Board shall have the power to adopt, amend, and rescind the by-laws of the Corporation, which control its activities and internal affairs; to establish offices sub-ordinate to those created in the Corporation Charter and to assign duties; to employ staff and consultants; to provide for their compensation and

the compensation of members of the Board; to approve and authorize the execution of Corporate transactions; to establish offices and control the property of the Corporation; to establish fees and charges for services; and to exercise those powers ancillary or incidental to governance of the affairs of the Corporation and to carrying out the power conferred by RCW 39.84.080. The Board may delegate administrative, managerial, and ministerial duties to the officers and employees of the Corporation.

Section 3.116.050. Revenue Bonds. Revenue bonds issued by the Corporation shall not constitute a debt of the City in any way or pledge any of the faith and credit of the City to pay principal or interest thereon. The revenue bonds shall be payable solely from both the revenues derived as a result of the industrial development facilities funded by the revenue bonds, including, without limitation, amounts received under the terms of any additional security furnished by the user of the industrial development facility in connection with the financing thereof, and money and other property received from private sources. No tax funds or governmental revenue may be used to pay the principal or interest thereon.

Section 3.116.060. Acceptance of Compensation by Directors. A member of the Board may accept the reimbursement of expenses and a reasonable per diem compensation authorized by resolution of the Board measured by time expended in preparing for meetings, attending meetings, and supervising corporate affairs.

Section 3.116.070. Indemnity. The Corporation shall hold the City harmless from any and all claims, lawsuits, judgments and other liabilities that arise against the Corporation, the City, or the Corporation and the City jointly, as a result of the transactions, actions, or omissions of the Corporation, and to appear and defend the proceedings for such purposes at its cost and expense.

Section 3.116.080. Audit. The books and records and transactions of the Corporation shall be subject to audit by the State Auditor and the City Comptroller at all times.

Section 3.116.090. Completion of Exhibit "A" and Charter. The City Comptroller is authorized to complete Exhibit "A", attached, and the Corporate charter issued by inserting the series number of this ordinance in its Articles 3, 4, and 6 and in the appropriate sections of its bylaws.

Section 2. This ordinance shall take effect and be in force thirty days from and after its passage and approval, if approved by the Mayor; otherwise it shall take effect at the time it shall become a law under the provisions of the city charter.

Passed by the City Council the 29th day of October, 1983, and signed by me in open session in authentication of its passage this 31st day of October, 1983.

Approved by me this 31st day of October, 1983.
Mayor.

Filed by me this 31st day of October, 1983.

Attest: Jim Hill
City Comptroller and City Clerk.

(SEAL)

By: Robert J. Mittelstadt
Deputy Clerk.

C-440

Affidavit of Publication

WASH. REV. STAT. § 4A.050

STATE OF WASHINGTON KING COUNTY—SS.

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

Ordinance No. 111396

was published on November 2, 1983

J. Yarrow

Subscribed and sworn to before me on

November 2, 1983

Yvonne Summers
Notary Public for the State of Washington,
residing in Seattle.