

RESOLUTION No. 31242

A RESOLUTION relating to Recovery Zone Bonds allocated through the American Recovery and Reinvestment Tax Act of 2009; delegating authority to sub-allocate Recovery Zone Facility Bond volume cap; and ratifying and confirming certain prior acts

9/17/10 passed unanimously 3-0 yes, Conlon, Godden, O'Brien
moved to vote Full Council on 9/20/10

Introduced: Sept. 7, 2010	By: Richard Conlon
Referred:	To: Regional Development and Sustainability
Referred:	To:
Reported:	
Passed: 9.20.10	Signed: 9/28/10 [Signature]
Filed: 9.29.10	Published: Full

9.20.10 Adopted 8-0
Excused: SC

US5171

Law Department

RESOLUTION 31242

1 A RESOLUTION relating to Recovery Zone Bonds allocated through the American Recovery and
2 Reinvestment Tax Act of 2009; delegating authority to sub-allocate Recovery Zone Facility Bond
3 volume cap; and ratifying and confirming certain prior acts.

4 WHEREAS, the American Recovery and Reinvestment Tax Act of 2009 (“ARRTA”) revised the Internal
5 Revenue Code (the “Code”) to create Recovery Zone Facility Bonds (“RZFBs”) and Recovery
6 Zone Economic Development Bonds; and

7 WHEREAS, the City Council passed Resolution 31197 on April 12, 2010; and

8 WHEREAS, in Resolution 31197, this Council designated certain areas within the City as a Recovery
9 Zone, with the intent to use or sub-allocate all of the Recovery Zone Volume Cap allocated to it
10 for projects or property located within the Recovery Zone; and

11 WHEREAS, in Resolution 31197, this Council expressed its intent to delegate its authority to an
12 investment committee to sub-allocate RZFB volume cap; and

13 WHEREAS, this Council desires to delegate its authority to Seattle Investment Fund LLC’s Investment
14 Committee to sub-allocate RZFB volume cap, NOW, THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR
CONCURRING, THAT:**

15 **Section 1. Delegation of Authority.** The City intends to sub-allocate its allocated volume cap to
16 issuers or ultimate beneficiaries for the issuance of RZFBs before January 1, 2011. Pursuant to
17 Resolution 31197, this Council expressed its intent to delegate its authority to an investment committee to
18 sub-allocate RZFB volume cap. Since approval of Resolution 31197, this Council appointed members to
19 an investment committee for Seattle Investment Fund LLC, an entity created by the City to manage its
20 federal New Markets Tax Credit program. Because RZFB projects are similar in size and nature to
21 projects receiving investments of New Markets Tax Credits, this Council has determined that it is
22 appropriate for the members of the Seattle Investment Fund LLC’s Investment Committee to approve
23 RZFB projects. This Committee shall exercise its delegated authority in accordance with the policies
24 approved by the Council in Attachment A to Resolution 31197.

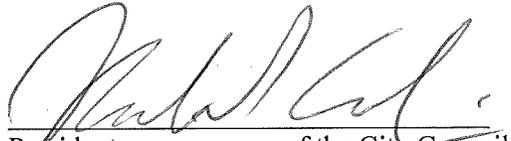


1 **Section 2. Ratification of Prior Acts.** All acts taken pursuant to the authority of this resolution
2 but prior to its effective date are ratified, approved and confirmed.

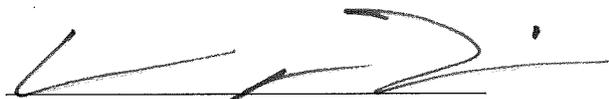
3 **Section 3. Section Headings.** Section headings in this resolution are used for convenience only
4 and shall not constitute a substantive portion of this resolution.

5 **Section 4. Effective Date.** This resolution shall become effective immediately upon its
6 adoption.

7 Adopted by the City Council the 20th day of September, 2010, and signed by me
8 in open session in authentication of its adoption this 20th day
9 of September, 2010.

10 
11 President _____ of the City Council

12 THE MAYOR CONCURRING:

13 
14 _____
15 Michael McGinn, Mayor

16
17 Filed by me this 29th day of September, 2010

18 
19 _____
20 City Clerk

21 (Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Office of Economic Development	Ken Takahashi/684-8378	Rebecca Guerra/684-5339

Legislation Title:

A RESOLUTION relating to Recovery Zone Bonds allocated through the American Recovery and Reinvestment Tax Act of 2009; delegating authority to sub-allocate Recovery Zone Facility Bond volume cap; and ratifying and confirming certain prior acts.

• **Summary of the Legislation:**

This legislation delegates authority to sub-allocate the City's Recovery Zone Facility Bond volume cap.

• **Background:**

The American Recovery and Reinvestment Tax Act of 2009 revised the Internal Revenue Code (Code) to create Recovery Zone Economic Development Bonds (RZED Bonds) and Recovery Zone Facilities Bonds (RZF Bonds). Seattle City Council previously adopted Resolution 31197 to designate the Recovery Zone in which qualified RZED and RZF Bonds must be located. Pursuant to Resolution 31197, Council expressed its intent to delegate its authority to an investment committee to sub-allocate RZF Bond volume cap. Since approval of Resolution 31197, Council appointed members to an investment committee for Seattle Investment Fund LLC, an entity created by the City to manage its federal New Markets Tax Credit program. This legislation proposes to delegate approval of RZF Bond projects to the members of the Seattle Investment Fund LLC's Investment Committee because RZF Bond projects are similar in size and nature to projects receiving investments of New Markets Tax Credits.

• *Please check one of the following:*

This legislation does not have any financial implications.

RZF Bonds will be funded by banks buying the bonds and will not be funded by the City. Such bonds will also not be secured by the City or its utilities and debt service on them will be paid by the qualified businesses.





City of Seattle
Office of the Mayor

August 10, 2010

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Resolution that delegates authority to approve Recovery Zone Facility Bond projects.

In Resolution 31197, Seattle City Council designated a recovery zone within the City of Seattle for the purpose of issuing recovery zone economic development ("RZED") bonds and recovery zone facility ("RZF") bonds. These new types of bonds were authorized by the American Recovery and Reinvestment Tax Act of 2009 to finance public projects (RZED bonds) and private projects (RZF bonds) in areas of significant economic distress. RZF Bonds will assist with job creation and economic recovery in areas within Seattle affected by employment decline, significant poverty, increased home foreclosures and general economic distress. In the Resolution, City Council expressed its intent to delegate its authority to an investment committee to approve RZF bond projects.

Since approval of Resolution 31197, Council appointed members to an investment committee for Seattle Investment Fund LLC, an entity created by the City to manage its federal New Markets Tax Credit program. This legislation proposes to delegate approval of RZF Bond projects to Seattle Investment Fund LLC's Investment Committee because RZF Bond projects are similar in size and nature to projects receiving investments of New Markets Tax Credits.

Thank you for your consideration of this legislation. Should you have questions, please contact Ken Takahashi at 206-684-8378.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



STATE OF WASHINGTON – KING COUNTY

--SS.

261517
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

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.

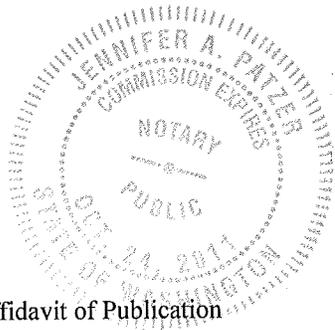
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:31242 RESOLUTION

was published on

10/11/10

The amount of the fee charged for the foregoing publication is the sum of \$ 109.20, which amount has been paid in full.



Subscribed and sworn to before me on
10/11/10

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

RESOLUTION 31242

A RESOLUTION relating to Recovery Zone Bonds allocated through the American Recovery and Reinvestment Tax Act of 2009; delegating authority to sub-allocate Recovery Zone Facility Bond volume cap; and ratifying and confirming certain prior acts.

WHEREAS, the American Recovery and Reinvestment Tax Act of 2009 ("ARRTA") revised the Internal Revenue Code (the "Code") to create Recovery Zone Facility Bonds ("RZFBs") and Recovery Zone Economic Development Bonds; and

WHEREAS, the City Council passed Resolution 31197 on April 12, 2010; and

WHEREAS, in Resolution 31197, this Council designated certain areas within the City as a Recovery Zone, with the intent to use or sub-allocate all of the Recovery Zone Volume Cap allocated to it for projects or property located within the Recovery Zone; and

WHEREAS, in Resolution 31197, this Council expressed its intent to delegate its authority to an investment committee to sub-allocate RZFB volume cap; and

WHEREAS, this Council desires to delegate its authority to Seattle Investment Fund LLC's Investment Committee to sub-allocate RZFB volume cap, NOW, THEREFORE,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR CONCURRING, THAT:

Section 1. Delegation of Authority.

The City intends to sub-allocate its allocated volume cap to issuers or ultimate beneficiaries for the issuance of RZFBs before January 1, 2011. Pursuant to Resolution 31197, this Council expressed its intent to delegate its authority to an investment committee to sub-allocate RZFB volume cap. Since approval of Resolution 31197, this Council appointed members to an investment committee for Seattle Investment Fund LLC, an entity created by the City to manage its federal New Markets Tax Credit program. Because RZFB projects are similar in size and nature to projects receiving investments of New Markets Tax Credits, this Council has determined that it is appropriate for the members of the Seattle Investment Fund LLC's Investment Committee to approve RZFB projects. This Committee shall exercise its delegated authority in accordance with the policies approved by the Council in Attachment A to Resolution 31197.

Section 2. Ratification of Prior Acts.

All acts taken pursuant to the authority of this resolution but prior to its effective date are ratified, approved and confirmed.

Section 3. Section Headings. Section headings in this resolution are used for convenience only and shall not constitute a substantive portion of this resolution.

Section 4. Effective Date. This resolution shall become effective immediately upon its adoption.

Adopted by the City Council the 20th day of September, 2010, and signed by me in open session in authentication of its adoption this 20th day of September, 2010.

Richard Conlin
President of the City Council

THE MAYOR CONCURRING: Michael McGinn, Mayor

Filed by me this 29th day of September, 2010

Publication ordered by the City Clerk
Date of publication in the Seattle Daily Journal of Commerce, October 11, 2010.

10/11(261517)