

August 11, 1989
0701H/LS/rr

INTRODUCED BY: GREG NICKELS

PROPOSED NO.: 89-663

ORDINANCE NO. **9102**

AN ORDINANCE relating to interim use of the Community Development Block Grant (CDBG) fund for economic development projects and authorizing the King County executive to enter into loan agreements necessary to effect the projects, and repealing Ordinance 8483, Section 4.

BE IT ORDAINED BY THE COUNCIL OF KING COUNTY:

SECTION 1. Ordinance 8483, Section 4 is repealed.

SECTION 2. Definitions. Unless the context otherwise requires, the terms defined in this section shall, for all purposes of this ordinance and of any ordinance supplemental hereto, have the meanings specific; words importing the singular number include the plural number and vice versa:

"County" means King County, Washington.

"Council" means the county council of King County, Washington.

"Community Development (CD) Interim Loan" shall mean the making of short-term financing loans to assist in the development of Community Development Block Grant eligible economic development project.

"Community Development Block Grant (CDBG) funds" shall be those entitlement monies King County receives through the United States Department of Housing and Urban Development and are dedicated to the CDBG fund.

SECTION 3. It is found and determined that it is in the best interests of the county to make a CD Interim Loan in the amount of four hundred thousand dollars to Modern Holdings, Inc. The loan will be used to develop and produce a new product which will create jobs with primary benefit to lower-income persons. This economic development project will enhance the CDBG fund by earning interest for economic development and other CDBG eligible activities.

1 SECTION 4. It is further found and determined that it is in
2 the best interest of the county to make a CD Interim Loan in the
3 amount of sixty thousand dollars to Catfish Corner, Inc. The
4 loan will be used to fund the general operations of Catfish
5 Corner, Inc. which, through expansion, will create jobs with
6 primary benefit to lower-income persons. This economic
7 development project will enhance the CDBG fund by earning
8 interest for economic development and other CDBG eligible
9 activities.

10 SECTION 5. It is further found and determined that it is in
11 the best interest of the county to make a CD Interim Loan in the
12 amount of four million dollars to Seattle Steel, Inc. The loan
13 will be used to refinance existing debt to facilitate expansion
14 of the firm's sales. This is an economic development project
15 which will create jobs with primary benefit to lower-income
16 persons and enhance the CDBG fund by earning interest for
17 economic development and other CDBG eligible activities.

18 SECTION 6. In accordance with regulations of the United
19 States Department of Housing and Urban Development, the King
20 County executive is hereby authorized to extend a CD Interim Loan
21 to Modern Holdings, Inc., and to Catfish Corner, Inc., and to
22 Seattle Steel, Inc., such unexpended balances as may become
23 available in the King County CDBG Letter of Credit on deposit
24 with the United States Department of the Treasury for use in
25 economic development projects. The loans shall be repaid to King
26 County in accordance with the terms and conditions of the
27 agreements between Modern Holdings, Inc., and between Catfish
28 Corner, Inc., and between Seattle Steel, Inc., and King County.
29 The King County executive is hereby authorized to execute the
30 referenced agreements on behalf of the county.

1 SECTION 7. For the purpose of making these CD Interim Loans,
2 the sum of four million four hundred sixty thousand dollars or so
3 much thereof as may be necessary to fund these three economic
4 development projects shall be disbursed from the King County CDBG
5 Letter of Credit on deposit with the United States Department of
6 the Treasury.

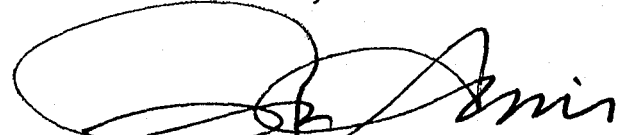
7 SECTION 8. No CDBG Interim Loans will be extended beyond the
8 term of the original agreement without the approval of the
9 council finance chair.

10 SECTION 9. Should any section, subsection, paragraph,
11 sentence, clause or phrase of this ordinance be declared
12 unconstitutional or invalid for any reason, such decision shall
13 not affect the validity of the remaining portion of this
14 ordinance.

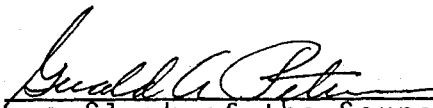
15 INTRODUCED AND READ for the first time this 14th day
16 of August, 1989.

17 PASSED this 21st day of August, 1989.


18 KING COUNTY COUNCIL
19 KING COUNTY, WASHINGTON

20 
21 Chairman

22 ATTEST:

23 
24 Deputy Clerk of the Council

25 APPROVED this 31st day of August, 1989.

26 
27 King County Executive