

COUNCIL OF THE DISTRICT OF COLUMBIA

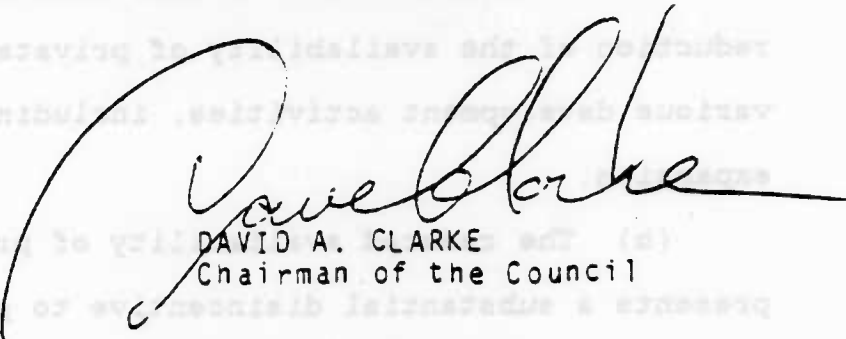
NOTICE

D.C. LAW 5-89

"District of Columbia Economic Development
Finance Corporation Act of 1984".

Pursuant to Section 412 of the District of Columbia Self-Government and Governmental Reorganization Act, P. L. 93-198, "the Act", the Council of the District of Columbia adopted Bill No. 5-41 on first and second readings, April 10, 1984 and April 30, 1984, respectively. Following the signature of the Mayor on May 9, 1984, this legislation was assigned Act No. 5-130, published in the May 25, 1984 edition of the D.C. Register, (Vol. 31 page 2514) and transmitted to Congress May 15, 1984 for a 30-day review, in accordance with Section 602 (c)(1) of the Act.

The Council of the District of Columbia hereby gives notice that the 30-day Congressional Review Period has expired, and therefore, cites this enactment as D.C. Law 5-89, effective June 29, 1984.



DAVID A. CLARKE
Chairman of the Council

Dates Counted During the 30-day Congressional Review Period:

May 15, 16, 17, 18, 21, 22, 23, 24, 30, 31
June 1, 4, 5, 6, 7, 8, 11, 12, 13, 14, 15, 18, 19, 20, 21, 22, 25, 26, 27, 28

AN ACT

EFFECTIVE DATE JUN 29 1984

D.C. ACT 5 - 130

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

MAY 09 1984

To establish the District of Columbia Economic Development Finance Corporation for the purpose of stimulating economic development within neighborhoods of the District of Columbia, creating additional employment opportunities for residents of the District of Columbia, providing financial and technical assistance to small and minority business enterprises within the District of Columbia; and for other purposes.

BE IT ENACTED, BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this bill may be cited as the "District of Columbia Economic Development Finance Corporation Act of 1984".

Sec. 2. Findings.

The Council of the District of Columbia finds that:

(a) Current economic trends have resulted in a reduction of the availability of private capital to support various development activities, including business expansion.

(b) The reduced availability of private capital presents a substantial disincentive to potential developers and to businesses and other organizations which wish to expand, locate, or relocate within the District of Columbia ("District").

(c) There is a significant amount of public and private land which is presently unutilized or underutilized

CODIFICATION
New subchapter II
of chapter 22 of
title 1

New,
D.C. Code, sec.
1-2211
(1985 supp.)

within the District, but which otherwise could support significant economic development projects.

(d) Current economic trends have stifled the growth of small businesses, particularly minority-owned small businesses, with a concomitant reduction in employment opportunities, loss of potential tax revenue, increased unemployment, deterioration of heretofore viable commercial centers, and economic instability throughout the District.

(e) The present and future health, safety, right to gainful employment, business opportunities, and overall welfare of the people of the District require, as a public purpose, the creation of a vehicle which encourages and facilitates the formation of a partnership between the public and private sectors for the purpose of implementing development projects and providing financial and technical assistance to small and minority-owned businesses, thereby strengthening and stabilizing businesses within the District, reducing unemployment, broadening the tax base, and relieving conditions of blight, obsolescence, and the nonutilization and underutilization of public and private property.

Sec. 3. Definitions.

For the purpose of this act the term:

New,
D.C. Code, sec.
1-2212
(1985 supp.)

(1) "Board" means the Board of Directors of the District of Columbia Economic Development Finance Corporation.

(2) "Capital participation investments" means stock, both common and preferred, convertible securities,

warrants, subscriptions, options to acquire any of the foregoing, capital loans, loan guarantees, interest rate subsidies, working capital, inventory loans, royalties, and other lawful derivations of the foregoing.

(3) "Community Development Corporation" or "CDC" means a community-based and community-controlled nonprofit corporation organized under the District of Columbia Nonprofit Corporation Act, approved August 6, 1962 (76 Stat. 265; D.C. Code, sec. 29-501, et seq.), to carry out certain public purposes and with articles of incorporation and bylaws that are consistent with rules and regulations issued by the Mayor pursuant to section 10.

(4) "Corporation" means the District of Columbia Economic Development Finance Corporation established by section 4.

(5) "Costs of a project" means all costs associated with the design, planning, and implementation of a project which reasonably can be recovered in the financing of the project. Costs may include, but are not limited to, costs of planning and design, feasibility or other studies, venture capital, working capital, construction, interest, taxes, and any other costs determined by the Board to be necessary to the implementation of the project.

(6) "Council" means the Council of the District of Columbia.

(7) "Eligible business" means a corporation, company, association (including an association operating on a cooperative basis pursuant to the District of Columbia

Cooperative Association Act, approved June 19, 1940 (54 Stat. 480; D.C. Code, sec. 29-1101 et seq.), firm, partnership, individual, or other legal entity engaging in or conducting a trade or business for profit, a university, or a health-related facility which is found by the Corporation to be locally based, capable of managing or otherwise meeting the responsibilities associated with a proposed project, and which meets the requirements of this act and rules issued by the Board for the receipt of financial or technical assistance from the Corporation in connection with a project approved by the Corporation.

(8) "Health-related facility" means an entity which is operating as or is in control of a public or private general hospital, psychiatric hospital, other specialty hospital, rehabilitation facility, skilled nursing facility, ambulatory care facility or clinic, kidney disease treatment center, freestanding hemodialysis facility, intermediate care facility, ambulatory surgical treatment facility, diagnostic health-care facility, or any other facility as defined by regulations issued in conformance with the National Health Planning and Resources Development Act of 1974, approved January 4, 1975 (88 Stat. 2225; 42 U.S.C. sec. 300k et seq.), which has an annual operating budget of at least \$75,000. The term "health-related facility" does not include Christian Science sanatoriums operated, listed, and certified by the First Church of Christ Scientist, Boston, Massachusetts, or those private office facilities for the private practice of a physician or

dentist, or other health care facilities licensed or to be licensed as community residence facilities.

(9) "Mayor" means the Mayor of the District of Columbia.

(10) "Minority" means Black Americans, native Americans, Asian Americans, Pacific Islander Americans, and Hispanic Americans who, by virtue of being members of the foregoing groups, are economically and socially disadvantaged because of historical discrimination practiced against these groups by institutions within the United States of America.

(11) "Minority business enterprise" means a business enterprise of which more than 50% of the ownership and control is held by individuals who are members of a minority group and of which more than 50% of the net profit or loss accrues to members of a minority group.

(12) "Minority Enterprise Small Business Investment Company" means a company approved and licensed by the Small Business Administration pursuant to section 301(d) of the Small Business Investment Act of 1958, approved August 21, 1958 (72 Stat. 691; 15 U.S.C. sec. 681(d)).

(13) "Project" means any commercial, industrial, real estate, business, or other economic development activity designed to reduce conditions of blight, economic depression, unemployment or widespread reliance on public assistance, or which otherwise would contribute to the revitalization and improvement of economic conditions within the District.

(14) "Small Business Investment Company" or

"SBIC" means a company approved and licensed by the Small Business Administration pursuant to section 301(c) of the Small Business Investment Act of 1958, approved August 21, 1958 (72 Stat. 691; 15 U.S.C. sec. 681(c)).

(15) "University" means an educational

institution which (A) admits as regular students only persons having a certificate of graduation from a school providing secondary education, or the recognized equivalent of such a certificate, (B) is legally authorized to provide a program of education beyond secondary education, (C) provides an educational program for which it awards a bachelor's degree and provides not less than a 2-year program which is acceptable for full credit toward such a degree, (D) is a public or nonprofit institution, and (E) is accredited by a nationally recognized accrediting agency or association or, if not so accredited, (i) is an institution with respect to which the Board has determined that there is satisfactory assurance, considering the resources available to the institution, the period of time, if any, during which it has operated, the effort it is making to meet association standards, and the purpose for which this determination is being made, that the institution will meet the accreditation standards of such an agency or association within a reasonable time, or (ii) is an institution whose credits are accepted on transfer by not less than 3 institutions which are so accredited for credit on the same basis as if transferred from an institution so accredited.

Sec. 4. Economic Development Finance Corporation
Established; Composition; Appointment; Term of Office;
Vacancies; Quorum.

Enrolled Original
New,
D.C. Code, sec.
1-2213
(1985 supp.)

(a) There is established the District of Columbia Economic Development Finance Corporation. The Corporation is constituted as a quasi-public, nonprofit corporation organized for the purpose of stimulating economic development, business development, and job creation by assisting in the implementation of development projects within the District of Columbia and by providing financial and technical assistance to eligible businesses. The Corporation shall exercise the powers set forth in section 7 for purposes that are consistent with this act.

(b) The Corporation shall be governed by a Board of Directors which shall be comprised of 19 members.

(1) There shall be 4 ex officio members, who may designate a representative to perform the respective duties and powers under this act including the power to vote, as follows:

(A) the Mayor of the District of Columbia;

(B) the Deputy Mayor for Economic

Development;

(C) the Chairman of the Council of the District of Columbia; and

(D) the chairperson of the Council's Committee on Housing and Economic Development.

(2) There shall be 13 public members appointed by the Council as follows:

(A) Each of the 5 Councilmembers at large, including the Chairman of the Council, shall appoint 1 member with experience in 1 of the following areas:

(i) business and economic development;

(ii) real estate development and marketing;

(iii) investment finance;

(iv) banking and lending; or

(v) District of Columbia industries.

(B) Each Councilmember from a ward shall appoint 1 member from that ward who has demonstrated a commitment to the economic development of his or her ward.

(3) There shall be 2 public members appointed by the Mayor.

(4) All Board appointments pursuant to this section shall be subject to the advice and consent of the Council.

(5) At least 3 members of the Board shall be women.

(c) The Chairperson of the Board shall be elected from among the members of the Board by a majority vote of the Board.

(d)(1) The members of the Board shall each serve for a term of 4 years, except that of the members first appointed pursuant to section 4(b)(2) and (3), 4 shall serve for a term of 4 years, 4 shall serve for a term of 3 years, 4