

# Seattle Investment Fund LLC

## New Markets Tax Credits

### Background

The Seattle Investment Fund LLC (“LLC”) is a limited liability company created by the City of Seattle to participate in the federal New Markets Tax Credit (“NMTC”) program. The City, through the LLC, has received two consecutive awards totaling \$51 million in NMTCs from the federal Treasury Department.

The LLC will distribute NMTCs to private investors who provide low-cost financing for business and real estate projects located in eligible census tracts. The following are examples of the types of projects financed with NMTCs:

- Business owner-occupied property undergoing expansion and/or a large equipment purchase
- Commercial real estate development that includes space for neighborhood retail businesses and/or office space
- Mixed-use projects with at least 20% of the project revenue coming from non-residential sources
- Community facilities.

In general, projects need to be at least \$5 million in cost to receive the benefit of low-cost financing leveraged by NMTCs and absorb transaction costs associated with the program.

### Investment Criteria:

- **Geographic Eligibility**
  - NMTC projects must be located in census tracts meeting minimum criteria set by the federal government regarding poverty and resident income data.
- **Project Readiness**
  - Evidence is submitted to confirm that the project's proposed use of NMTC proceeds is feasible and that the project can be completed within the proposed timeline.
- **Public Benefits** -- Priority will be given to projects that achieve one or more of the following economic development benefits:
  - Creates or retains permanent jobs
  - Increases the availability of goods and services needed by the neighborhood
  - Serves as an anchor for future economic development in the immediate neighborhood
  - Enhances the local tax base through increased sales and/or property taxes from future project operations
  - Includes energy efficient building or process improvements
  - Increases the amount of affordable housing (i.e. housing serving households at 50% - 80% of median income) available for nearby residents

### Application Process:

- Detailed instructions and tutorials available at [www.seattleinvestmentfund.com](http://www.seattleinvestmentfund.com)

### Prior Investments:

- **Pike Place Market Phase II Renovation:** \$10 million investment financing tenant improvements and temporary relocation assistance for more than 60 small businesses impacted by the Market’s significant infrastructure renovations (March 2011)
- **Bullitt Center:** \$10 million investment financing development of nation’s first office building to achieve Living Building standards, exceeding LEED Platinum efficiency standards; creation or retention of 141 direct permanent jobs; creation of 94 direct construction jobs that will provide opportunities to WMBEs, pre-apprenticeships and apprenticeships; and creation of green building educational center (July 2011)