

2014 Seattle City Council Green Sheet

Ready for Notebook

Tab	Action	Option	Version
148	1	A	1

**Budget Action Title:** Pass C.B. 117953 -- Pacific Place Garage Fund Loan Ordinance

Has CIP Amendment: No Has Budget Proviso: No

Councilmembers: Budget Committee

Staff Analyst: John McCoy

Council Bill or Resolution: 117953

Date		Total	SB	BH	TR	RC	TB	NL	JG	SC	MO
	Yes										
	No										
	Abstain										
	Absent										

**Budget Action description:**

This green sheet passes Council Bill 117953, the Pacific Place Garage Fund Loan ordinance. The City-owned Pacific Place Garage continues to run an operating deficit, created in part by an escalating debt service schedule for the garage construction loan and in part by the City’s recent imposition of a 12.5% tax on commercial parking revenues. Current law allows the Finance Director to provide the Garage Fund with an inter-fund loan from the City’s cash pool of up to \$5 million through the end of 2014. The loan earns interest at the rate of return on cash pool investments. This ordinance would raise the existing loan cap to \$9.5 million and extend the term to year-end 2015.

Finance and Administrative Services (FAS) expects the Garage Fund to exceed the current \$5 million cap in December 2013 due to a change in budget practice (rather than any fundamental worsening of the Garage Fund’s financial performance). The 2013 Adopted Budget assumed that the General Fund would pay the Garage Fund \$2.8 million to cure the 2013 deficit as it was incurred. The Executive has elected not to make this payment and to instead use the \$2.8 million for other General Fund balancing this year. The 2014 Proposed Budget also cancels a further \$2.0 million planned for the Garage Fund in the 2014 Endorsed Budget. As a result, the Fund’s deficit is projected to reach between \$9.0 and \$9.5 million by 2015.

FAS staff are in talks to potentially sell the garage to the Pine Street Group, which owns the shopping mall over the facility, by the end of 2015 for a price that could retire the City’s projected outstanding debt and deficit on the facility. This loan would carry the fund through that potential sale date.