

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117948

1
2
3
4 AN ORDINANCE relating to the financing of the Waterfront Improvement Program; amending
5 Ordinance 123761 to increase the amount of an interfund loan to be used for this capital
6 program.

7 WHEREAS, in 2001, the Nisqually earthquake damaged the Alaskan Way Viaduct and Seawall;
8 and

9 WHEREAS, the Alaskan Way Viaduct and Seawall are at risk of sudden and catastrophic failure
10 in an earthquake and are nearing the end of their useful lives; and

11 WHEREAS, in 2008, the State of Washington and The City of Seattle agreed to guiding
12 principles for replacing the Alaskan Way Viaduct: improve public safety; provide
13 efficient movement of people and goods now and in the future; maintain or improve
14 downtown Seattle, regional, Port of Seattle and state economies; enhance Seattle's
15 waterfront, downtown and adjacent neighborhoods as a place for people; create solutions
16 that are fiscally responsible; and improve the health of the environment; and

17 WHEREAS, Ordinance 123142 created the Central Waterfront Partnerships Committee, with the
18 goal of fostering collaboration between a range of civic and community organizations to
19 recommend models for the management, programming and use of new public spaces on
20 the Central Waterfront, including building a broad coalition to shape the project's vision,
21 organization and process to ensure that it is successfully completed; and

22 WHEREAS, in 2010, the Department of Transportation conducted a preliminary feasibility
23 analysis of special benefits for various program elements of the Alaskan Way Viaduct
24 and Seawall Replacement Program, which supports a potential range of special benefits
25 for a future Local Improvement District; and

26 WHEREAS, a loan of \$2.4 million was authorized in 2011 by Ordinance 123761 and increased
27 to \$13.7 million in 2012 by Ordinance 124033, and the Mayor and Council anticipated
28 revising the legislation to increase the amount of that loan to accommodate future years'
spending; and

WHEREAS, in 2014, the Department of Transportation is expected to incur additional costs for
improvements that could be financed by a future Local Improvement District; and

WHEREAS, an additional \$17.5 million of principal and interest costs have been identified for



2014, which require an increase of the interfund loan from \$13.7 million to \$31.225 million; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5 of Ordinance 123761, last amended by Ordinance 124033, is amended as follows:

Section 5. A loan of up to (~~(\$13,700,000)~~) \$31,225,000 of principal and interest outstanding at any one time is authorized to be made from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the Central Waterfront Improvement Fund. The loan expires December 31, 2016, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 2. Section 7 of Ordinance 123761, last amended by Ordinance 124033, is hereby amended as follows:

Section 7. The Director of Finance may effectuate the loan authorized in Section 5 above by transferring cash from one or more of the funds participating in the City's Consolidated (Residual) Cash Pool to the Central Waterfront Improvement Fund, or by carrying the Central Waterfront Improvement Fund in a negative cash position in an amount not to exceed (~~(\$13,700,000)~~) \$31,225,000, until no later than December 31, 2016. The Director of Finance is further authorized to establish, and modify if necessary, from time to time, a repayment plan and schedule pursuant to Seattle Municipal Code 5.06.030.



1 Section 3. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the ____ day of _____, 2013, and
5 signed by me in open session in authentication of its passage this
6 ____ day of _____, 2013.

7
8
9 _____
10 President _____ of the City Council

11 Approved by me this ____ day of _____, 2013.

12
13 _____
14 Michael McGinn, Mayor

15
16 Filed by me this ____ day of _____, 2013.

17
18 _____
19 Monica Martinez Simmons, City Clerk

20 (Seal)



2014 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Seattle Department of Transportation (SDOT)	Lenda Crawford/4-5350	Candice Livingston/3-7274

Legislation Title:

AN ORDINANCE relating to the financing of the Waterfront Improvement Program; amending Ordinance 123761 to increase the amount of an interfund loan to be used for this capital program.

Summary of the Legislation:

This ordinance amends Ordinance 123761, last amended by Ordinance 124033, to increase the Central Waterfront Improvement Fund Loan from \$13.7 million to \$31.225 million, to support appropriations to be made in the 2014 fiscal year.

Background:

This loan is an increase of prior loans authorized by Council for the 2012 and 2013 budget for capital and interest costs associated with the Waterfront Improvement Program (TC367330). The history of the loan is summarized below.

Ordinance	Fiscal Year	Loan Maximum	Capital Costs	Interest Costs
123761	2012	\$2.4	\$2.0	\$0.4
124033	2013	\$13.7	\$11.5	\$2.2
TBD	2014	\$31.2	\$27.0	\$4.2

*Dollars in millions.

The loan is from the Consolidated (Residual) Cash Pool to the Central Waterfront Improvement Fund and will pay for improvements that may be funded by a local improvement district currently under discussion. The City intends to form and confirm a local improvement district in 2014.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications.

Summary of Changes to Revenue Generated Specifically from this Legislation:

Revenue Change Notes:

This legislation does not authorize new revenues. Through its passage, the authority to borrow from the City's Consolidated (Residual) Cash Pool loan will be increased to \$31,225,000.

Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:

Total Revenue Notes:



None.

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
If a local improvement district is not formed for the purposes of this project, the City will need to repay the loan with other sources.
- b) **What is the financial cost of not implementing this legislation?**
The City would likely incur higher borrowing costs if bond funding were used as opposed to an interfund loan.
- c) **Does this legislation affect any departments besides the originating department?**
This project will have direct and indirect effects on City Budget Office, Department of Finance and Administrative Services, Seattle City Light, Seattle Public Utilities, and Department of Parks and Recreation.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
The City could issue bonds for these expenditures. However, bonds will have higher finance costs and would have less flexibility than an interfund loan.
- e) **Is a public hearing required for this legislation?**
No.
- f) **Is publication of notice with The Daily Journal of Commerce and/or The Seattle Times required for this legislation?**
No.
- g) **Does this legislation affect a piece of property?**
No.
- h) **Other Issues:**
None.

Please list attachments to the fiscal note below: None.



City of Seattle
Office of the Mayor

September 23, 2013

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill for consideration with the 2014 Proposed Budget. This legislation increases the Central Waterfront Improvement Fund (CWIF) interfund loan authorized to pay for central waterfront improvements, which could be funded by a local improvement district. The 2014 loan amount is \$31.225 million.

Ordinance 123761 originally authorized an interfund loan for \$2.4 million to the CWIF to cover costs and interest associated with the Waterfront Improvement Program in 2011. This legislation was increased to \$13.7 million for 2013 expenditures. This legislation increases the loan to meet updated cash flow requirements and project needs in 2014. The City intends to form and confirm a local improvement district in 2014, which will be used to repay the interfund loan as well as pay future Waterfront Improvement Program costs.

Thank you for your consideration of this legislation. Should you have questions, please contact Candice Livingston at 233-7274.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael McGinn".

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

