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Pacific Tower is owned by the Pacific Hospital Preservation and Development Authority (PHPDA), a corporation chartered by the City of Seattle. The intent is that debt will be incurred to pay for improvements to Pacific Tower. This green sheet would provide funding equivalent to debt service payments in 2015 and 2016 for \$4 million in debt. This green sheet assumes the debt service will be approximately \$307,000 of GSF in 2016 (based on \$4 million in principal, 20-year term, and 4.5% interest). This green sheet assumes further that the debt service in 2015 will be approximately \$153,500 or half of the 2016 debt service payment because debt will be incurred mid-2015 and there will be no principal paid in 2015. The City Budget Office will work with the Office of Intergovernmental Relations and the Law Department, and it is envisioned that no payments will be made until an agreement between the relevant parties has been negotiated and executed.

### Background

Pacific Tower, a historic building, is intended to be made fully occupy-able for its largest tenant, the Seattle Central College, by September 2015. Certain improvements are needed for a total cost of approximately \$30 million.

The King County Council is currently considering a similar budget action that would provide two years of payments for debt service related to Pacific Tower project. The King County Council is considering payments equivalent to two years of debt service on \$2 million in debt to be incurred.

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**Budget Action Transactions**

**Budget Action Title:** Add \$153,500 in 2015 and \$307,000 in 2016 from GSF to Finance General Reserves to provide two years of payments towards debt service related to Pacific Tower (PacMed).

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BCL or Revenue Source	Summit Code	Fund	Year	Revenue Amount	Expenditure Amount
1	Appropriate contribution toward debt service for Pacific Tower in Finance General				FG	Reserves	2QD00	00100	2015		\$153,500
2	Appropriate contribution toward debt service for Pacific Tower in Finance General				FG	Reserves	2QD00	00100	2016		\$307,000