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Section 3. ~~((The entire principal loaned as authorized in Section 2, with interest thereon at the rate of return of the City's Consolidated Cash Pool, shall be repaid no later than ((December 31, 2014)) December 31, 2016, unless extended by ordinance)).~~ If the loan plus accrued interest is not repaid in full by December 31, 2016, the jurisdictional department shall begin repaying the City's Consolidated Cash Pool at least \$650,000 per year beginning in 2017 until the loan plus accrued interest has been repaid.

C.B. 118242 extends the loan to December 31, 2016, unless further extended by Ordinance. This green sheet amends C.B 118242 to require an annual repayment of at least \$650,000 (5% of the current balance) to the City's Consolidated Cash Pool, beginning in 2017, should the loan not be fully repaid by December 31, 2016.

Background

In 2003, the City Council approved Ordinance 121179, authorizing an interfund loan of up to \$10.48 million from the Consolidated Cash Pool to the Unrestricted Subaccount of the Cumulative Reserve Subfund to facilitate the purchase of land in West Seattle as a site for a new Joint Training Facility (JTF) to be used by the Fire Department, SDOT, and SPU. The site was larger than required for the JTF and it was intended that a 31-acre portion would be sold to repay the loan and partially offset the overall cost of the project.

Due to environmental issues (now resolved), market conditions during the recession, and a series of holds put on the sale by interested City departments, the sale of the excess land has been delayed repeatedly, leading FAS (the jurisdictional department) to request six extensions of the loan repayment. The last extension expires on December 31, 2014.