

Ordinance No. 123080

Council Bill No. 116617

AN ORDINANCE relating to the financing of the Lake Union Park Project; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the South Lake Union Trust Fund; and providing for the repayment thereof.

CF No. _____

Date Introduced: <u>8.17.09</u>		
Date 1st Referred:	To: (committee) <u>Finance & Budget</u>	
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage: <u>9-8-09</u>	Full Council Vote: <u>80</u>	
Date Presented to Mayor: <u>9-9-09</u>	Date Approved: <u>9.17.09</u>	
Date Returned to City Clerk: <u>9.17.09</u>	Date Published: <u>3</u>	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: _____

Councilmember

Committee Action:

8/20/09 F+B: DO PASS - JG, SC, TR

9-8-09 Passed 80 (Excused: Rasmussen)

This file is complete and ready for presentation to Full Council. Committee: _____ (initial/date)

Law Department

Law Dept. Review

OMP
Review

City Clerk
Review

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ORDINANCE 123080

AN ORDINANCE relating to the financing of the Lake Union Park Project; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the South Lake Union Trust Fund; and providing for the repayment thereof.

WHEREAS, the Mayor proposed and the City Council approved a 2009 Budget and 2009-2014 Capital Improvement Program that includes design and construction activities for the Lake Union Park Project (LU Park); and

WHEREAS, construction of LU Park has been undertaken in phases and construction of Phase I of LU Park was completed in March 2008 and Phase II is currently underway; and

WHEREAS, Ordinance 121963 authorized the execution of an Agreement between the Seattle Department of Parks and Recreation ("DPR") and the Seattle Parks Foundation ("Foundation") committing the Foundation to launch a fundraising campaign to raise Ten Million Dollars (\$10,000,000) to be donated to the City for design, development, and construction of LU Park; and

WHEREAS, the Foundation has completed its fundraising campaign and payments are scheduled to be made to the City through 2013; and

WHEREAS, Ordinance 121902 authorized the execution of an Agreement between DPR and City Investors, Inc. and City Investors provided Five Million Dollars (\$5,000,000) to the City for the LU Park Project; and

WHEREAS, City Investors has committed to providing an additional Five Million Dollars (\$5,000,000) for the LU Park Development project conditioned on the City having a funding plan in place and being within one year of commencing construction of improvements to Valley Street, as outlined in Ordinance 121902; and

WHEREAS, Ordinance 122757 authorized acceptance of the \$10 million donation from the Foundation and the \$5 million donation from City Investors to be used for the construction of Phase II of LU Park; and

WHEREAS, Ordinance 121963 (section 3.4.1) commits the City to moving forward with construction of Phase II of the project regardless of whether the conditions have been satisfied to secure City Investors' conditional release of the Five Million Dollars (\$5,000,000); and

WHEREAS, funds necessary to complete the LU Park Project have been identified but may not be received at the time project expenditures are incurred, creating a temporary funding



gap, and a loan from the City's Consolidated (Residual) Cash Pool, or its participating funds, will be utilized as interim financing; and

WHEREAS, interest on the Five Million Dollar (\$5,000,000) portion of the loan will be paid by the City's General Subfund and the Foundation will pay interest on the portion of the loan used in lieu of outstanding pledges; and

WHEREAS, there is sufficient cash in the City's Consolidated (Residual) Cash Pool, or its participating funds, to support a loan of up to Five Million Three Hundred Fifty Thousand Dollars (\$5,350,000) of principal and up to Five Hundred Thousand Dollars (\$500,000) of accumulated interest to the South Lake Union Trust Fund, terminating no later than December 31, 2013; and

WHEREAS, it is anticipated that this cash pool loan will be repaid once funds are received from City Investors and the Seattle Parks Foundation; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:


Section 1. A loan of up to Five Million Three Hundred Fifty Thousand Dollars (\$5,350,000) of principal and up to Five Hundred Thousand Dollars (\$500,000) of accumulated interest outstanding at any one time is hereby authorized to be made from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the South Lake Union Trust Fund from which may be paid capital costs related to the Lake Union Park Project. Said loan is to be repaid no later than December 31, 2013, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 2. The Director of Finance may effectuate the loan authorized in Section 1 by transferring cash from one or more of the funds participating in the City's Consolidated (Residual) Cash Pool to the South Lake Union Trust Fund, or by carrying the South Lake Union Trust Fund in a negative cash position in an amount not to exceed Five Million Eight Hundred Fifty Thousand Dollars (\$5,850,000), until no later than December 31, 2013.



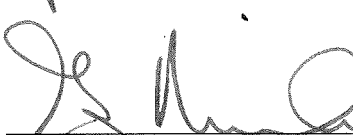
Section 3. This ordinance shall take effect and be in force thirty (30) days from and after its approval by the Mayor, but if not approved and returned by the Mayor within ten (10) days after presentation, it shall take effect as provided by Municipal Code Section 1.04.020.

Passed by the City Council the 8th day of September, 2009, and signed by me in open session in authentication of its passage this 8th day of September, 2009.



President _____ of the City Council

Approved by me this 17th day of September, 2009.



Gregory J. Nickels, Mayor

Filed by me this 17th day of September, 2009.



City Clerk

(Seal)



FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	DOF Analyst/Phone:
Dept of Parks & Recreation	Terry Roche/ 3-2776	Jennifer Devore/ 5-1328

Legislation Title:

AN ORDINANCE relating to the financing of the Lake Union Park Project; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the South Lake Union Trust Fund; and providing for the repayment thereof.

Summary and background of the Legislation:

The proposed legislation authorizes an interfund loan up to \$5.35 million from the City's Consolidated (Residual) cash Pool to fund construction costs related to the Lake Union Park Development (LU Park) project in order to finish Phase II of the project on schedule.

The existing Capital Improvement Program project (Lake Union Park – Development K733134) is funded by the 2000 Neighborhood Parks, Green Spaces, Trails, and Zoo Levy, (2000 Parks Levy) as well as by other City and grant funds. The construction of the project was divided into two phases. Phase I, which is completed, included constructing terraces, a boardwalk, and a pedestrian bridge; replacing the bulkhead; installing utilities, and preparing the park for Phase II of the project. The scope of work in Phase II includes removal of most of the existing landscape and installs a new entrance to the park, tree grove, interactive water fountain of jets, grass, model boat pond, History Trail, boardwalk extension, parking, pathways, beach for hand launched boats, landscape, landforms, furniture, lighting systems and irrigation. In addition, work includes shoreline stabilization and planting on the lake edge and repairing/regrading pavements to tie into existing surrounding surfaces.

In 2005, the Seattle Parks Foundation committed to raising \$10 million for development of LU Park, which was in addition to a commitment of a \$10 million donation from City Investors (CI), a major property owner and developer in the South Lake Union area. Ordinance 121963 authorized the execution of the Agreement between DPR and the Foundation concerning their roles in fundraising, design, development, construction, operation and maintenance of LU Park. In 2006, Ordinance 122084 authorized amendments to the 2005 Agreement between DPR and the Foundation. The Foundation has completed its fundraising campaign and payments are scheduled to be made to the City through 2013.

CI donated an initial \$5 million to the Foundation, which was subsequently given to DPR for development of LU Park. CI pledged an additional \$5 million for the LU Park project, payable at such time as (1) the City and the Foundation raise an additional \$10 million to develop LU Park consistent with the approved designs; and (2) construct certain Valley Street improvements within one year of commencement. CI is expected to make the final \$5 million donation once all the contingencies are satisfied pursuant to the agreement. The Agreement between DPR and CI and acceptance of CI's initial \$5 million donation was authorized by Ordinance 121902.



Ordinance 121963 (section 3.4.1) states that the City is committed to moving forward with construction of phase two of the project regardless of whether the conditions have been satisfied to secure CI's conditional release of the \$5 million donation. This commits the City to provide these funds should condition (2) above not be met.

Phase I of the LU Park Development Project was completed in March 2008. Phase II is under construction and scheduled for completion in 2010. The funds necessary to complete the LU Park Project have been identified and appropriated, but may not be received at the time project expenditures are incurred, creating a temporary funding gap. A loan from the City's Consolidated (Residual) Cash Pool will be used for interim financing. The Foundation will pay interest on the portion of the loan used in lieu of outstanding pledges starting in July 2010 and the City's General Subfund will pay interest on the \$5 million portion of the loan.

Project Name:	Project I.D.	Project Location:	Start Date:	End Date
Lake Union Park – Development	K733134	1000 Valley St	1 st Qtr 2002	4 th Qtr 2010

- Please check any of the following that apply:

 This legislation creates, funds, or anticipates a new CIP Project. (Please note whether the current CIP is being amended through this ordinance, or provide the Ordinance or Council Bill number of the separate legislation that has amended/is amending the CIP.)

 This legislation does not have any financial implications. (Stop here and delete the remainder of this document prior to saving and printing.)

 X **This legislation has financial implications.** (Please complete all relevant sections that follow.)

Appropriations: This table should detail existing appropriations and reflect appropriations that are a direct result of this legislation. If this legislation does not directly change an appropriation, but has budget impacts, please explain in the notes section below:

Fund Name and Number	Department	Budget Control Level*	Existing 2009 Appropriation	New 2009 Appropriation (if any)	2010 Anticipated Appropriation
N/A					
TOTAL					

*See budget book to obtain the appropriate Budget Control Level for your department.

Notes: The Lake Union Park – Development project (K733134) received appropriation in 2008 via Ordinance 122757.

Spending Plan and Future Appropriations for Capital Projects: Please list the timing of anticipated appropriation authority requests and expected spending plan. In addition, please identify your cost estimate methodology including inflation assumptions, the projected costs of meeting applicable LEED standards, and the percent for art and design as appropriate.

Spending Plan and Budget	2009	2010	2011	2012	2013	2014	Total
Spending Plan	\$9,742,631	\$3,707,104					\$13,449,735
Current Year Appropriation	0						
Future Appropriations		0	0	0	0	0	0

Notes:

Funding source: Identify funding sources including revenue generated from the project, and the expected level of funding from each source. When applicable, make a notation indicating the source of funds is paying for debt service.

Funding Source (Fund Name and Number, if applicable)	2009	2010	2011	2012	2013	2014	Total
N/A							
TOTAL							

Notes:

Bond Financing Required: If the project or program requires financing, please list type of financing, amount, interest rate, term and annual debt service or payment amount. Please include issuance costs of 3% in listed amount.

Type	Amount	Assumed Interest Rate	Term	Timing	Expected Annual Debt Service/Payment
N/A					
TOTAL					

Uses and Sources for Operation and Maintenance Costs for the Project: Estimate cost of one-time startup, operating and maintaining the project over a six year period and identify each fund source available. Estimate the annual savings of implementing the LEED Silver standard. Identify key assumptions such as staffing required, assumed utility usage and rates and other potential drivers of the facility's cost.

O&M	2009	2010	2011	2012	2013	2014	Total
Uses							
Start Up	\$15,000	0	0	0	0	0	\$15,000
On-going	\$194,375	\$251,726	\$256,761	\$261,896	\$267,134	\$272,477	\$1,504,369
Sources (itemize)							
Parks General Fund (10200)	\$209,375	\$251,726	\$256,761	\$261,896	\$267,134	\$272,477	\$1,519,369

Notes: The O&M costs for 2009 are already included in the 2009 Adopted Budget. There are no additional O&M costs associated with this legislation.

Periodic Major Maintenance costs for the project: Estimate capital cost of performing periodic maintenance over life of facility. Please identify major work items, frequency.

Major Maintenance Item	Frequency	Cost	Likely Funding Source
Replace Cedar Decking	10-15 years	\$200,000	TBD
Sidewalks – replacement	15 years	\$100,000	TBD
Bulkhead – Replacement	50 years	\$15,000,000	TBD
Paint Bridge	10 years	\$100,000	TBD
Pump & Sand Filter System	10 years	\$500,000	TBD
TOTAL		\$15,900,000	

Note: These costs are for the entire Lake Union Park project, not just the Phase II components.

Funding sources for replacement of project: NA

Total Regular Positions Created, Modified, Or Abrogated Through This Legislation, Including FTE Impact: NA

Position Title and Department*	Position # for Existing Positions	Fund Name & #	PT/FT	2009 Positions	2009 FTE	2010 Positions **	2010 FTE **
TOTAL	NA						

* *List each position separately*

** *2010 positions and FTE are total 2010 position changes resulting from this legislation, not incremental changes. Therefore, under 2010, please be sure to include any continuing positions from 2009.*

Notes:

- **Do positions sunset in the future?** NA
- **What is the financial cost of not implementing the legislation:** If the City does not implement this legislation, DPR may not be able to complete Phase II of the LU Park Development Plan. In addition, DPR will not be in compliance with the Agreement with the Foundation that was approved in Ordinance 121963 and amended Ordinance 122084 or the agreement with City Investors that was approved in Ordinance 121902.
- **Does this legislation affect any departments besides the originating department?** • *If so, please list the affected department(s), the nature of the impact (financial, operational, etc)., and indicate which staff members in the other department(s) are aware of this Bill.*
- **What are the possible alternatives to the legislation that could achieve the same or similar objectives** The only alternative to this legislation that could achieve the same objective would be for the City to sell bonds at a higher rate of interest than an interfund loan or provide other currently unidentified resources to complete Phase II of LU Park.
- **Is the legislation subject to public hearing requirements:** In July 2008, the City Council Budget Committee held a special public hearing on this project. The public hearing, also known as a "CLEAN!" hearing, is held for certain major capital projects on which the City spends or is authorized to spend \$5 million or more in City money.
- **Other Issues** (including long-term implications of the legislation):
- **List attachments to the fiscal note below:** NA



City of Seattle

Gregory J. Nickels, Mayor

Office of the Mayor

August 4, 2009

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am transmitting the attached proposed Council Bill that authorizes an interfund loan of up to \$5.35 million from the City's Consolidated (Residual) Cash Pool to fund construction costs related to the Lake Union Park Development project. The cash loan will allow the completion of Phase II of the project as scheduled in 2010.

The Lake Union Development project expects a funding gap due to a difference in timing between payment of project costs and receipt of revenue, which includes \$5 million from City Investors (CI) and \$350,000 from the Seattle Parks Foundation. The \$5 million from CI will be received after certain improvements to Valley Street are made as outlined in the agreement between CI and the City that was adopted via Ordinance 121902. The Seattle Parks Foundation has completed its fundraising campaign, resulting in \$10 million in payments that are scheduled to be paid to the City through 2013.

Lake Union Park is an important addition to Seattle's park system and to the growing Lake Union community. The interfund loan authorized by this Bill will assure that the Lake Union Park will be developed as planned and previously approved. Thank you for your consideration of this legislation. Should you have questions, please contact Jennifer Devore at 615-1328.

Sincerely,

A handwritten signature in black ink, appearing to read 'Greg Nickels', written over the printed name and title.

GREG NICKELS
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



STATE OF WASHINGTON – KING COUNTY

--SS.

245152
CITY OF SEATTLE, CLERKS OFFICE

No.

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

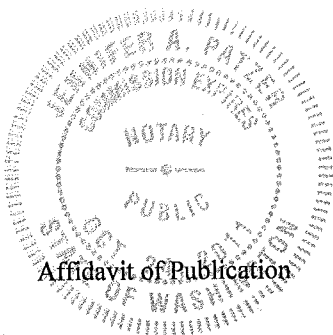
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

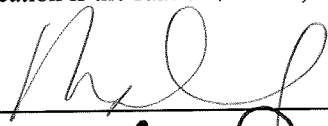
CT:123077-123083 TITLE

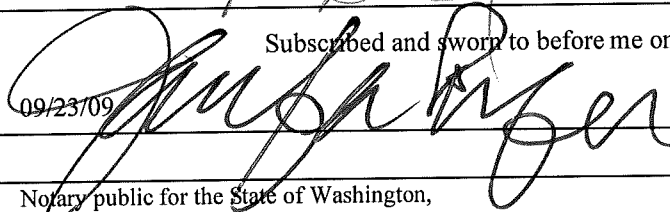
was published on

09/23/09

The amount of the fee charged for the foregoing publication is the sum of \$ 91.98, which amount has been paid in full.





Subscribed and sworn to before me on
09/23/09 

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

TITLE-ONLY PUBLICATION

The full text of the following ordinances, passed by the City Council on September 8, 2009, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.ci.seattle.wa.us>. For further

information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 123083

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 123082

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 123081

AN ORDINANCE appropriating money to pay certain audited claims and ordering the payment thereof.

ORDINANCE NO. 123080

AN ORDINANCE relating to the financing of the Lake Union Park Project; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the South Lake Union Trust Fund; and providing for the repayment thereof.

ORDINANCE NO. 123079

AN ORDINANCE relating to the Alaskan Way Viaduct for SR 99 Viaduct Replacement from South Holgate to South King Street Stage 2 Project; authorizing execution of three Memoranda of Agreement between the Washington State Department of Transportation and the City of Seattle; and ratifying and confirming prior acts.

ORDINANCE NO. 123078

AN ORDINANCE relating to local economic stimulus efforts; amending the 2009 Adopted Budget and increasing an appropriation; revising project allocations and spending plans in the 2009-2014 Capital Improvement Program for certain projects; and amending a budget proviso; all by a three-fourths vote of the City Council.

ORDINANCE NO. 123077

AN ORDINANCE relating to the City Light Department, authorizing the Superintendent of City Light or his designee to grant a permit agreement to the City of Shoreline for construction and completion of a section of the Aurora Corridor Improvement Project (North 165th Street to North 185th Street), located in Sections 6 and 7, Township 26 North, Range 4 East, W.M., King County, Washington, and ratifying and confirming certain prior acts.

Publication ordered by the City Clerk
Date of publication in the Seattle Daily Journal of Commerce, September 23, 2009.

9/23(245152)