

Ordinance No. 123481
 [123481]

Council Bill No. 117017

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 122854, to extend the term of an interfund loan.

CF No. _____

Date Introduced:	<u>Oct. 25, 2010</u>	
Date 1st Referred:	To: (committee)	<u>Budget</u>
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote:	
<u>11.22.10</u>	<u>9-0</u>	
Date Presented to Mayor:	Date Approved:	
<u>11.23.10</u>	<u>Dec. 2, 2010</u>	
Date Returned to City Clerk:	Date Published:	T.O. <input checked="" type="checkbox"/> F.T. <input type="checkbox"/>
<u>Dec. 2, 2010</u>		
Date Vetoed by Mayor:	Date Veto Published:	
Date Passed Over Veto:	Veto Sustained:	

The City of Seattle - Legislative Department

Council Bill/Ordinance sponsored by: Godden
 Councilmember

Committee Action:

11.12.10 Pass 8-0-1 RC: abstain

11.22.10 Passed 9-0

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

Law Dept. Review OMP Review City Clerk Review Electronic Copy Loaded Indexed

ORDINANCE 123481

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 122854, to extend the term of an interfund loan.

WHEREAS, Ordinance 121179 approved a loan of up to \$10.48 million from the Consolidated Cash Pool to the Cumulative Reserve Subfund, Unrestricted Subaccount to be paid back by December 31, 2003; and

WHEREAS, the proceeds of this loan were to finance expenditures from the Cumulative Reserve Subfund, Unrestricted Account, related to the Joint Training Facility; and

WHEREAS, the loan proceeds that were temporarily credited to the Cumulative Reserve Subfund have been fully expended to fund the Joint Training Facility Project at 9401 Myers Way South; and

WHEREAS, the originally anticipated source for loan repayment was the proceeds generated from the sale of excess City-owned property at the Joint Training Facility site; and

WHEREAS, the sale of this excess property was put on hold while the site was under consideration as a possible location for the Seattle Municipal Jail; and

WHEREAS, while this site is no longer being considered for the Seattle Municipal Jail, Department of Finance and Administrative Services staff do not expect proceeds from the sale of the Joint Training Facility's excess City-owned property to be available to repay the loan by the December 31, 2010, deadline established in Ordinance 122854; and

WHEREAS, given that the contemplated property sale is likely not a viable option for repayment of the loan, the 2011-12 Proposed Budget implements several strategies in order to bring this account back to a positive balance over the next several years. First, sufficient ongoing expenditures have been shifted to other funding sources in order to create an annual surplus of revenues over expenditures in the account. This ensures that the account does not decline further into deficit over time. Second, annual contributions beginning in 2012 from the General Fund will bring the fund balance back into positive territory. Third, the interfund loan for this account is extended to December 31, 2012, to begin to accommodate the time needed to address this issue; and

WHEREAS, in the normal course of business the City may temporarily lend cash between funds to maintain required balances; NOW, THEREFORE,



BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

1
2 Section 1. In order to extend through 2012 the term of a loan of \$10.48 million to the
3 Cumulative Reserve Subfund from the Consolidated Cash Pool, Section 3 of Ordinance 121179,
4 as last amended by Section 1 of Ordinance 122854, is hereby further amended as follows:
5

6 Section 3. The entire principal loaned as authorized in Section 2, with interest
7 thereon at the rate of return of the City's Consolidated Cash Pool, shall be
8 repaid no later than (~~December 31, 2010~~) December 31, 2012, unless
9 extended by ordinance.
10

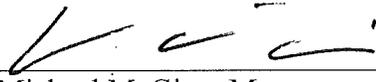
11
12 Section 2. This ordinance shall take effect and be in force 30 days from and after its
13 approval by the Mayor, but if not approved and returned by the Mayor within ten days after
14 presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.
15

16 Passed by the City Council the 22 day of November, 2010, and
17 signed by me in open session in authentication of its passage this 22 day of
18 November, 2010.
19

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21 
22 President _____ of the City Council
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1 Approved by me this 2nd day of December, 2010.

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3 
4 Michael McGinn, Mayor

5 Filed by me this 2nd day of December, 2010.

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7 
8 City Clerk

9 (Seal)

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2011-2012 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance & Administrative Services	Debbie Nagasawa/ 684-7948	Greg Shiring / 386-4085

Legislation Title: AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 122854, to extend the term of an interfund loan.

Summary of the Legislation: This legislation would amend Section 3 of Ordinance 121179 as last amended by Ordinance 122854 by extending the deadline for repayment of principal and interest on a \$10.48 million loan from December 31, 2010, to December 31, 2012.

Background: Ordinance 121179 was originally passed in mid-2003 to support site acquisition and certain pre-construction activities at the Joint Training Facility (JTF) at 9401 Myers Way South by authorizing an interfund loan from the Consolidated Cash Pool to the Cumulative Reserve Subfund, Unrestricted Subaccount. The original deadline for repayment of the loan was December 31, 2003. Ordinances 121363, 121980, 122289, 122558 and 122854 subsequently extended the term of the loan. The current extension expires on December 31, 2010.

The City purchased approximately 51 acres of land for the JTF project, which was larger than the project ultimately required. The City intended to sell approximately 31 acres of excess property at the site and apply the proceeds from the sale to repay the loan. Sale proceedings were placed on hold while the excess property was being considered as a potential location for the Seattle Municipal Jail. This location has now been removed from consideration as a jail site; however, staff of the Department of Finance and Administrative Services does not expect proceeds from any property sale to be available to repay the loan prior to the December 31, 2010, deadline established by the latest amendment to the original loan ordinance.

Given that the contemplated property sale is likely not a viable option for repayment of the loan, the 2011-12 Proposed Budget implements several strategies in order to bring this account back to a positive balance over the next several years. First, sufficient ongoing expenditures have been shifted to other funding sources in order to create an annual surplus of revenues over expenditures in the account. This ensures that the account does not decline further into deficit over time. Second, annual contributions beginning in 2012 from the General Fund will bring the fund balance back into positive territory. Third, the interfund loan for this account is extended to December 31, 2012, to begin to accommodate the time needed to address this issue.

Though not expressly addressed in the legislation, the loan extension will result in additional interest expense. The interest expenses for each year of the loan to date, as well as estimated interest expenses through the end of the requested extension, are shown in the table below.



Summary Accrued and Estimated Interest on JTF Loan
 Estimated rates provided by Treasury for Consolidated Cash Pool

Year	Rate Basis	Annual Rate	Accrued Interest
2003	CAFR	0.03161	184,711
2004	CAFR	0.02338	252,030
2005	CAFR	0.02848	314,999
2006	CAFR	0.03966	453,637
2007	CAFR	0.05075	607,022
2008	CAFR	0.03905	488,703
2009	CAFR	0.01650	212,490
2010	Estimate	0.01125	147,339
2011	Estimate	0.01375	183,335
2012	Estimate	0.01625	219,946
Estimated Total Interest Liability:			3,064,212

The total estimated interest expense through December 31, 2012, is \$3,064,212. Earlier repayment of the loan would reduce this cost. Total interest expense will also be higher or lower based on actual interest rates from 2010 – 2012.

- Please check one of the following:

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

This legislation has financial implications. Please complete all relevant sections that follow.

Summary of Changes to Revenue Generated Specifically From This Legislation:

	Revenue Source	2011 Proposed	2012 Proposed
Total Fees and Charges Resulting From Passage of This Ordinance	N/A See Notes below.	N/A	N/A

Notes: This legislation makes no appropriations or changes to revenue; it extends the deadline for repayment of an interfund loan only. The Department of Finance and Administrative Services will seek any necessary appropriations to repay this loan only upon receipt of revenues that will be used to fund repayment of the loan. Total interest expense for the loan from initiation in 2003 through the end of 2012 is approximately \$3,064,212.



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

Fund Name and Number	Revenue Source	Total 2011 Revenue	Total 2011 and 2012 Anticipated Revenue from Entire Program
	N/A	N/A	N/A
TOTAL			

What is the financial cost of not implementing this legislation? Absent this legislation to extend the loan repayment deadline, the Department of Finance and Administrative Services would have to request that already programmed capital funds be redirected from their intended use to repay the loan by December 31, 2010.

Does this legislation affect any departments besides the originating department? No.

What are the possible alternatives to the legislation that could achieve the same or similar objectives? None.

Is the legislation subject to public hearing requirements? No.

Other Issues (including long-term implications of the legislation): None.

Please list attachments to the fiscal note below: None.



City of Seattle
Office of the Mayor

September 27, 2010

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

Dear Council President Conlin:

I am transmitting the attached proposed Council Bill for consideration with the 2011- 2012 Proposed Budget. This legislation will extend by two years the deadline for repayment of a \$10.48 million interfund loan from the City's Consolidated Cash Pool to the Cumulative Reserve Subfund. This loan was intended to provide temporary funding to support site acquisition and certain pre-construction activities for the City's Joint Training Facility.

The interfund loan was originally authorized by Ordinance 121179 in 2003 and was last amended by Ordinance 122854 in 2008. Funds to repay the loan had been expected to come from proceeds from the sale of excess City-owned property at the Joint Training Facility site. However, it is unlikely that these proceeds, if realized, will be sufficient to repay the loan, and an alternative approach is needed. The loan's current deadline for repayment is December 31, 2010.

As you may know, this inter-fund loan has been used to balance the CRS-Unrestricted Subaccount since 2003. Given that the contemplated property sale is likely not a viable option for repayment of the loan, the 2011-12 Proposed Budget implements several strategies in order to bring this account back to a positive balance over the next several years. First, sufficient ongoing expenditures have been shifted to other funding sources in order to create an annual surplus of revenues over expenditures in the account. This ensures that the account does not decline further into deficit over time. Second, annual contributions beginning in 2012 from the General Fund will bring the fund balance back into positive territory. Third, the interfund loan for this account is extended to December 31, 2012, to begin to accommodate the time needed to address this issue.

The above strategies will not preclude another loan extension request in 2012, but should lower the amount needed to balance the CRS Unrestricted Subaccount. The above strategies correct the structural imbalance in CRS-Unrestricted, and will over time return the subaccount to a positive balance.

Thank you for your consideration of this legislation. Should you have questions, please contact Debbie Nagasawa at 684-7948 or Hall Walker at 233-7065.

Sincerely,


Michael McGinn
Mayor of Seattle

Michael McGinn, Mayor
Office of the Mayor
600 Fourth Avenue, 7th Floor
PO Box 94749
Seattle, WA 98124-4749

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STATE OF WASHINGTON – KING COUNTY

--SS.

264490
CITY OF SEATTLE, CLERK'S OFFICE

No. 123458-123481

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.

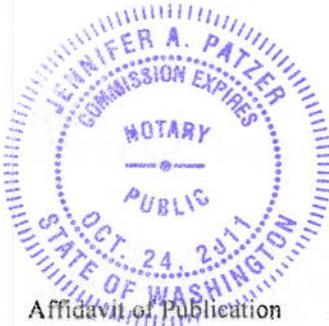
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CITY TITLE ONLY ORDINANCE

was published on

12/15/10

The amount of the fee charged for the foregoing publication is the sum of \$ 177.45, which amount has been paid in full.



[Handwritten signature]

Subscribed and sworn to before me on

12/15/10

[Handwritten signature]

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 November 22, 2010, and published here by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For further information, contact the Seattle City Clerk at 684-8344.

ORDINANCE NO. 123442

AN ORDINANCE adopting a budget, including a capital improvement program and position modifications, for the City of Seattle for 2011; creating a barrier fund; creating positions exempt from civil service; all by a two-thirds vote of the City Council.

ORDINANCE NO. 123443

AN ORDINANCE relating to the Pacific Place Garage; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the Downtown Parking Garage Fund; and providing for the repayment thereof.

ORDINANCE NO. 123451

AN ORDINANCE related to probation supervision fees assessed by the Seattle Municipal Court; repealing Ordinance 114809.

ORDINANCE NO. 123454

AN ORDINANCE concerning indigent public defense services; amending Ordinance 122602 to delete a minimum requirement of 1.0 FTE attorney for the third public defense agency representing indigent persons in Seattle Municipal Court.

ORDINANCE NO. 123455

AN ORDINANCE relating to the levy of property taxes; fixing the rates and/or amounts of taxes to be levied, and levying the same upon all taxable property, both real and personal, in the City of Seattle, to finance the departments and activities of City government and to provide for the general obligation bond interest and redemption requirements for the year beginning on the first day of January 2011; ratifying and confirming certain prior acts; and by a vote of a majority plus one of the Seattle City Council, finding a substantial need to use, and providing for the use of, 101% as the regular property tax limit factor.

ORDINANCE NO. 123457

AN ORDINANCE amending Ordinance 123177, which adopted the 2010 Budget, including the 2010-2015 Capital Improvement Program (CIP); lifting a proviso; changing appropriations to various departments and budget control levels, and from various funds in the Budget, all by a 3/4 vote of the City Council.

ORDINANCE NO. 123458

AN ORDINANCE relating to City employment; establishing a 2011 furlough program for certain non-represented employees.

ORDINANCE NO. 123459

AN ORDINANCE relating to the Firefighters' Pension Fund established under RCW 41.16; amending Ordinance 117216 as last amended by Ordinance 122859 to continue the suspension of contributions to the Actuarial Account for an additional two years through 2012.

ORDINANCE NO. 123463

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

ORDINANCE NO. 123464

AN ORDINANCE relating to City employment; authorizing the Mayor to sign

a memorandum of understanding between the City of Seattle and certain unions within the Coalition of City Unions, and authorizing the Mayor to sign a memorandum of understanding between the City of Seattle and the International Federation of Professional and Technical Engineers, Local 17 Information Technology Professionals Unit; and ratifying and

confirming prior acts.

ORDINANCE NO. 123465

AN ORDINANCE relating to City employment; providing salary increases effective January 5, 2011, January 4, 2012, and January 2, 2013 for certain non-represented City employees and officers; extending eligibility for Project Hire and reinstatement from one year to two years for employees laid off in 2011, 2012, or 2013; and repealing Ordinance 123173.

ORDINANCE NO. 123470

AN ORDINANCE relating to the financing of the Pike Place Market Renovation Project; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the Pike Place Market Renovation Fund; and providing for the repayment thereof.

ORDINANCE NO. 123475

AN ORDINANCE relating to jail services; authorizing the Mayor to execute an amendment to the extension to the Interlocal Agreement with King County for the Provision of Jail Services, and ratifying certain acts.

ORDINANCE NO. 123476

AN ORDINANCE related to the transfer of the Seattle Youth Commission from the Department of Neighborhoods to the Mayor's Office, amending Chapter 3.67 of the Seattle Municipal Code.

ORDINANCE NO. 123481

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 122854, to extend the term of an interfund loan.

Date of publication in the Seattle Daily Journal of Commerce, December 15, 2010.

12/15(264490)