

Ordinance No. 124038

Council Bill No. 117627

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 123481, to extend the term of an interfund loan.

Related Legislation File: _____

Date Introduced and Referred: <u>Oct. 22, 2012</u>	To: (committee): <u>Budget</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>11.19.12</u>	Date Presented to Mayor: <u>11.20.12</u>
Date Signed by Mayor: <u>11/26/12</u>	Date Returned to City Clerk: <u>11/27/12</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text _____	
Date Veto Published:	Date Passed Over Veto:
Date Veto Sustained:	Date Returned Without Signature:

The City of Seattle – Legislative Department

Council Bill/Ordinance sponsored by: TB

Committee Action:

Date	Recommendation	Vote
<u>11.7.12</u>	<u>Pass</u>	<u>7-0 TB, SB, SC, RC, JG, NL, MD</u>

This file is complete and ready for presentation to Full Council. _____

Full Council Action:

Date	Decision	Vote
<u>11.19.12</u>	<u>Passed</u>	<u>9-0</u>

Law Department

CITY OF SEATTLE
ORDINANCE 124038
COUNCIL BILL 117627

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4 AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179,
as last amended by Ordinance 123481, to extend the term of an interfund loan.

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6 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
7 by December 31, 2003; and

8 WHEREAS, the proceeds of this loan were to finance expenditures from the Cumulative Reserve
Subfund, Unrestricted Account, related to the Joint Training Facility; and
9

10 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
11 Myers Way South; and

12 WHEREAS, the originally anticipated source for loan repayment was the proceeds generated
13 from the sale of surplus City-owned property not needed at the Joint Training Facility
site; and

14 WHEREAS, the downturn in the local economy negatively affected the prospects of selling the
15 surplus property on the site; and

16 WHEREAS, the interest on the loan has been accruing, with an estimated total accrued at the end
17 of 2014 in the amount of \$3,423,937; and

18 WHEREAS, the 2011-2012 Adopted Budget implemented contributions to the Cumulative
19 Reserve Subfund to offset some portion of the total balance of the loan and accrued
interest; and

20 WHEREAS, the Department of Finance and Administrative Services has proactively addressed
21 environmental permitting issues and has identified key portions of the property that are
22 now suitable for sale, and those that are to be retained for the purpose of environmental
stewardship; and

23 WHEREAS, additional time is required to prepare the surplus property for sale and for the
24 subsequent repayment of the interfund loan; and

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



1 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

2
3 Section 1. In order to extend through 2014 the term of a loan of \$10.48 million to the
4 Cumulative Reserve Subfund from the Consolidated Cash Pool, Section 3 of Ordinance 121179,
5 as last amended by Section 1 of Ordinance 123481, is hereby further amended as follows:

6
7 Section 3. The entire principal loaned as authorized in Section 2, with interest thereon at
8 the rate of return of the City's Consolidated Cash Pool, shall be repaid no later than
9 ~~((December 31, 2012))~~ December 31, 2014, unless extended by ordinance.

10
11 Section 2. This ordinance shall take effect and be in force 30 days after its approval by
12 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
13 shall take effect as provided by Seattle Municipal Code Section 1.04.020.



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Passed by the City Council the 19th day of November, 2012, and
signed by me in open session in authentication of its passage this
19th day of November, 2012.


President _____ of the City Council

Approved by me this 26 day of Nov, 2012.


Michael McGinn, Mayor

Filed by me this 29th day of November, 2012.


Monica Martinez Simmons, City Clerk

(Seal)



2013 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services	Daniel Bretzke 733-9882	Jennifer Devore 615-1328

Legislation Title: AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 123481, 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 123481 by extending the deadline for repayment of principal and interest on a \$10.48 million loan from December 31, 2012, to December 31, 2014.

Background: Ordinance 121179 was originally passed in mid-2003 to support site acquisition and 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, 122854 and 123481 subsequently extended the term of the loan. The current extension expires on December 31, 2012.

The City was required to purchase more property than what was needed for the JTF project, thus the City borrowed the total purchase price in part through an inter-fund loan with the intent on repaying the loan with the proceeds from the sale of the property. Under Ordinance 122308 the City Council declared the property surplus and authorized the sale, although the sale transaction was not completed due to environmental and permitting issues. Additionally, the downturn in the local economy negatively affected prospects for a sale. Department of Finance and Administrative Services (FAS) staff have evaluated potential other municipal uses of the property, including a municipal jail, urban farming, and a Seattle City Light training facility. In preparation for the property's eventual sale, FAS has resolved some permitting issues including close out of the underlying mining permit, and is working with the Army Corps of Engineers to identify any further environmental constraints. FAS is also working toward completing the Roxbury Street vacation, that was conditionally granted under C.F. 307648.

It is anticipated that a portion of the property can be sold to support business economic activity and that proceeds from the sale will repay a portion of the inter-fund loan. Other portions of the property will be retained for environmental stewardship.

FAS does not expect proceeds from any property sale to be available to repay the loan prior to the December 31, 2012 expiration date and is therefore requesting an extension of the inter fund loan to December 31, 2014.

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	CAFR	0.01027	134,443
2011	CAFR	0.00824	109,480
2012	Estimate	0.01625	218,514
2013	Estimate	0.01625	222,121
2014	Estimate	0.01625	225,787
Estimated Total Interest Liability:			3,423,937

The total estimated interest expense through December 31, 2014, is estimated to be \$3,423,938. Early repayment of the loan would reduce this cost. Total interest expense will also be higher or lower based on actual interest rates in 2013 – 2014.

FAS is working to obtain the highest net return to the City, which may include payment of the entire principal of the loan, accrued interest to-date, and continued environmental stewardship of portions of the property that remain under City ownership. It is probable that upon the final disposition of the property, other funding sources will need to be identified to repay the loan and accumulated interest. In anticipation of this, beginning in 2012, annual contributions are being made to the CRS Unrestricted Sub account to accumulate resources to pay down the remaining loan balance.

This legislation does not have any financial implications.

This legislation has financial implications.

Revenue Change Notes:

This legislation makes no appropriations or changes to revenue; it extends the deadline for repayment of an inter-fund loan only. The Department of Finance and Administrative Services will seek any necessary appropriations to repay this loan through future legislation and 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 2014 is approximately \$3,423,938.

Total Revenue Notes: None



Other Implications:

- a) Does the legislation have indirect financial implications, or long-term implications?
This legislation will provide additional time that is needed to further identify environmental issues and to allow the commercial property market conditions to improve. This will potentially increase the net proceeds realized from the sale of the property.
- b) 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, 2012.
- c) Does this legislation affect any departments besides the originating department? No.
- d) What are the possible alternatives to the legislation that could achieve the same or similar objectives? Already programmed capital funds for critical projects would need to be redirected from their intended use to repay the loan by December 31, 2012.
- e) Is the legislation subject to public hearing requirements? No
- f) Other Issues: None

Please list attachments to the fiscal note below: None





City of Seattle
Office of the Mayor

September 24, 2012

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

Dear Council President Clark:

I am transmitting the attached proposed Council Bill for consideration with the 2013 Proposed and 2014 Endorsed Budget. This legislation amends Ordinance 121179, as last amended by Ordinance 123481, to extend the term of an interfund loan that was used to purchase property at 9401 Myers Way South, which is where the Joint Training Facility (JTF) was constructed.

At the time of its construction, the City was required to purchase more property than what was needed for the JTF, and borrowed the total purchase price, in part, through an inter-fund loan. The intent was to repay the loan with the proceeds from the sale of surplus property at the site. Under Ordinance 122308 the City Council declared the property surplus and authorized a sale, although the sale was not completed due to environmental and permitting issues. Subsequently, the downturn in the local economy also affected the prospects of a sale. In 2011, FAS staff resolved permitting issues, including close out of the underlying mining permit, and are currently working with the Army Corps of Engineers to identify any further environmental constraints on the property.

A large portion of the property is now available to be sold to support business economic activity. At the time of sale, the sale proceeds will repay a portion of the inter-fund loan, and the environmentally sensitive parts of the property can be retained under City control for long-term environmental stewardship.

A property sale that is beneficial to the City's financial and environmental interests is not possible prior to the loan's current expiration date of December 31, 2012 and, therefore, we respectfully request that the inter fund loan be extended through December 31, 2014. Thank you for your consideration of this legislation. Should you have questions, please contact Daniel Bretzke at 206-733-9882.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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STATE OF WASHINGTON – KING COUNTY

--SS.

291356
CITY OF SEATTLE, CLERKS OFFICE

No. TITLE ONLY

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.

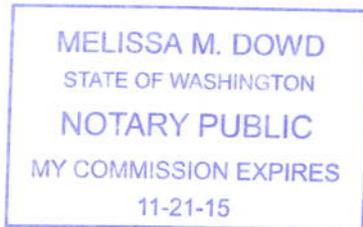
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:124029-124059 TITLE

was published on

12/12/12

The amount of the fee charged for the foregoing publication is the sum of \$428.96 which amount has been paid in full.




Subscribed and sworn to before me on

12/12/2012


Notary public for the State of Washington,
residing in Seattle

Affidavit of Publication

ORDINANCE NO. 124037

AN ORDINANCE relating to fleet services, authorizing the transfer to King County of certain vehicles leased from the City by Public Health - Seattle and King County; establishing the method for determining the value of the vehicles to be transferred; authorizing the Director of Finance and Administrative Services to execute an agreement with King County in order to complete the associated transition, including refunding County funds that were originally intended to replace the vehicles being transferred, compensating the City for those vehicle assets, transferring said vehicles; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124038

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 123481, to extend the term of an interfund loan.

ORDINANCE NO. 124039

AN ORDINANCE relating to animal licensing; amending Section 9.25.100, Section 9.26.020 and Section 9.26.025 in connection therewith, and adding a new Section 9.25.200 to the Seattle Municipal Code, authorizing the establishment of amnesty periods by Director's rule.

ORDINANCE NO. 124040

AN ORDINANCE relating to animal regulations; changing shelter fees and regulations concerning the municipal spay and neuter clinic, and enhancing the Director's authority relating to pet adoptions, and amending Sections 9.25.030, 9.25.045, 9.25.081, 9.26.050 and 9.26.060 of the Seattle Municipal Code.

ORDINANCE NO. 124041

AN ORDINANCE relating to Seattle Center parking charges; amending Seattle Municipal Code Subsection 17.19.010.B to eliminate the distinction between event and non-event charges and authorizing the Seattle Center Director to establish charges for daily parking based upon minimum and maximum rates.

ORDINANCE NO. 124042

AN ORDINANCE relating to the Seattle Center Department; adopting a fee schedule from which the Seattle Center Director is authorized to set fees for 2013 and 2014 for use of Seattle Center facilities and property; adopting policies for use of Seattle Center facilities and event related service agreements; adding a new Section 17.16.005 to the Seattle Municipal Code; and amending Sections 17.16.010, 17.16.015, 17.16.020, 17.16.030, and 17.16.033 of the Seattle Municipal Code.

ORDINANCE NO. 124043

AN ORDINANCE authorizing, in 2012, acceptance of funding from non-City sources; authorizing the heads of the Office of Sustainability and Environment, the Seattle Fire Department, and the Seattle Police Department to accept specified grants and private funding and to execute, deliver, and perform corresponding agreements; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124044

AN ORDINANCE relating to the Building and Construction Codes, Subtitle VI Fire Code; amending Seattle Municipal Code Sections 22.602.045, 22.602.050, 22.602.070, 22.602.080, and 22.602.090, to add, delete and revise various Seattle Fire Department permit, certificate, inspection and plan review fees and related provisions.

ORDINANCE NO. 124045

AN ORDINANCE relating to the electric system of The City of Seattle; authorizing the issuance and sale of municipal light and power revenue bonds for the purposes of providing funds for certain additions and betterments to and extensions of the existing municipal light and power plant and system of the City, paying the costs of issuing and selling those bonds and providing for the reserve fund requirement; providing for the terms, conditions, covenants and manner of sale of those bonds; describing the lien of those bonds; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124046

AN ORDINANCE relating to financing the solid waste system of The City of Seattle, Washington; adopting a system or plan of additions and betterments to and extensions of the solid waste system; authorizing the issuance and sale of solid waste revenue bonds, in one or more series, for the purposes of paying all or part of the cost of carrying out that system or plan, providing a bond reserve and paying the costs of issuing and selling the bonds; authorizing the execution of certain agreements relating thereto; providing for the terms, conditions, covenants and manner of sale of the bonds; describing the lien of the bonds; creating certain accounts of the City relating to the bonds; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124057

AN ORDINANCE relating to the Firefighters' Pension Fund established under RCW 41.16; amending Ordinance 117216 as last amended by Ordinance 123459 to continue the suspension of contributions to the Actuarial Account for an additional two years through 2014, requesting a study of investment options for the Actuarial Account, and clarifying the City Finance Director's authority to invest funds in the account.

ORDINANCE NO. 124058

AN ORDINANCE adopting a budget, including a capital improvement program and position modifications, for The City of Seattle for 2013; creating positions exempt from civil service; all by a two-thirds vote of the City Council.

ORDINANCE NO. 124059

AN ORDINANCE relating to the City Light Department; directing the transfer of certain funds in the Light Fund into the Rate Stabilization Account in 2012.

Date of publication in the Seattle Daily Journal of Commerce, December 12, 2012.
12/12(291356)

The full text of the following legislation, passed by the City Council on November 19, 2012, and published below by title only, will be mailed upon request, or can be accessed at <http://clerk.seattle.gov>. For information on upcoming meetings of the Seattle City Council, please visit <http://www.seattle.gov/council/calendar>. Contact: Office of the City Clerk at (206) 684-8344.

ORDINANCE NO. 124029

AN ORDINANCE authorizing the Director of Finance and Administrative Services to execute a Third Amendment to the Lease and Concession Agreement between the City of Seattle and BH Music Center; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124030

AN ORDINANCE authorizing the levy of regular property taxes by The City of Seattle for collection in 2013, representing

an increase above the regular property taxes levied for collection in 2012; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124031

AN ORDINANCE relating to the Seattle Center Department; amending Ordinance 123644 to increase and extend the term of an interfund loan to the Seattle Center Operating Fund; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124032

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 2013; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124033

AN ORDINANCE relating to the financing of the Alaskan Way Viaduct and Seawall Replacement Program; amending Ordinance 123761 to increase the amount of an interfund loan.

ORDINANCE NO. 124034

AN ORDINANCE relating to City employment; establishing a 2013 furlough program for certain employees not covered by collective bargaining agreements.

ORDINANCE NO. 124035

AN ORDINANCE relating to City employment; establishing twenty-five (25) unfunded positions in the Personnel Department to be utilized by City departments to perform work that otherwise would be contracted out; and ratifying and confirming prior acts.

ORDINANCE NO. 124036

AN ORDINANCE relating to the Department of Parks and Recreation; establishing the 2013-2014 fee schedule for the use of park properties and other park and recreation facilities and services; superseding previous park and recreation fee schedules; and amending Section 18.28.010 of the Seattle Municipal Code.

Page 2 of 4 andavit**ORDINANCE NO. 124047**

AN ORDINANCE related to fees and charges for permits and activities of the Department of Planning and Development and related fees by other departments; amending Seattle Municipal Code Chapter 22.900A, Administration and Enforcement; Chapter 22.900B, General Provisions; Chapter 22.900C, Fees for Land Use Review; Chapter 22.900D, Fees for New and Altered Buildings and Equipment; Chapter 22.900E, Fees for Certificates and Registrations; Chapter 22.900F, Compliance and Other Inspections; and Chapter 22.900G, Fees Collected for Other Departments.

ORDINANCE NO. 124048

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

ORDINANCE NO. 124049

AN ORDINANCE relating to drainage services of Seattle Public Utilities (SPU); amending Section 21.33.010 of the Seattle Municipal Code to update definitions; amending Section 21.33.030 of the Seattle Municipal Code to update exemptions from drainage rates and adjust drainage rates; amending Sections 21.33.050 and 21.33.070 to clarify billing and collection procedures; and amending Section 21.76.040 of the Seattle Municipal Code to revise credits to low income drainage customers.

ORDINANCE NO. 124050

AN ORDINANCE relating to wastewater services of Seattle Public Utilities; amending Section 21.28.040 of the Seattle Municipal Code to adjust the wastewater volume rate; and amending Subsection 21.76.040 A of the Seattle Municipal Code to adjust credits to low-income wastewater customers.

ORDINANCE NO. 124051

AN ORDINANCE relating to drainage and wastewater services of Seattle Public Utilities; adjusting wastewater and drainage rates to pass through increased treatment costs charged by King County; amending Sections 21.28.040 and 21.33.030 of the Seattle Municipal Code to reflect the adjusted rates; and amending Section 21.76.040 of the Seattle Municipal Code to adjust credits to low-income drainage and wastewater customers.

ORDINANCE NO. 124052

AN ORDINANCE, relating to the Seattle Department of Transportation's Commuter Services Program; authorizing the Director of Finance and Administrative Services to adjust parking fees in the Seapark and Seattle Municipal Tower Garages in association with the Commute Trip Reduction

Program's Guaranteed Ride Home Program for City employees; establishing that such fees be lower than regular daily parking fees in those facilities; and deleting obsolete language and amending Ordinance 119758 in connection thereto.

ORDINANCE NO. 124053

AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay all or part of the cost of financing elements of the City's capital improvement program, issuing and selling the bonds, and other City purposes approved by ordinance; providing for terms and sale of the bonds; creating a bond fund; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124054

AN ORDINANCE related to the 2012 Budget; amending Ordinance 123758, which adopted the 2012 Budget, including the 2012-2017 Capital Improvement Program (CIP); creating new appropriations; changing appropriations to various departments and budget control levels, and from various funds in the Budget; adding new projects; creating positions; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

ORDINANCE NO. 124055

AN ORDINANCE adopting the 2013 Annual Action Plan to the City of Seattle 2009 - 2012 Consolidated Plan for Housing and Community Development, as amended; authorizing the submission of the 2013 Annual Action Plan to the United States Department of Housing and Urban Development; and authorizing the Human Services Director to make changes to the Plan for certain purposes.

ORDINANCE NO. 124056

AN ORDINANCE relating to the solid waste system of Seattle Public Utilities; revising rates and charges for solid waste services; revising credits to low income customers for solid waste services; offering free disposal at City recycling and disposal stations to low income customers under certain conditions; revising rates for yellow pages phone book recovery fees; establishing conditions for adjustments to 2015 and 2016 solid waste rates; establishing conditions for deposits to and withdrawals from the rate stabilization account of the Solid Waste Fund; and amending Chapters 21.40, 21.76 and 6.255 of the Seattle Municipal Code.