

Ordinance No. 124123

The City of Seattle - Legislative Department

Council Bill No. 117706

Council Bill/Ordinance sponsored by: [Signature]

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 repayment.

Committee Action:

Date	Recommendation	Vote
2/20/2013	Pass	SC NL TB 3-0-0

Related Legislation File:

Date Introduced and Referred: <u>2.4.13</u>	To: (committee): <u>Government Perf. + Finance</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>2/25/13</u>	Date Presented to Mayor: <u>2/26/13</u>
Date Signed by Mayor: <u>3.4.13</u>	Date Returned to City Clerk: <u>3.5.13</u>
Published by Title Only <input checked="" type="checkbox"/>	Date Vetoed by Mayor:
Published in Full Text	Date Passed Over Veto:
Date Veto Published:	Date Returned Without Signature:

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

Full Council Action:

Date	Decision	Vote
Feb. 25, 2013	Passed	8-0 (excused: Rasmussen)

Law Department

CITY OF SEATTLE

ORDINANCE 124123

COUNCIL BILL 117706

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

7 WHEREAS, the City of Seattle acquired the Pacific Place Garage through agreements authorized
8 by Ordinance 118011 for the purpose of encouraging short-term parking in, and
9 contributing to the revitalization of, the downtown retail core; and

10 WHEREAS, revenues from the operation of the Pacific Place Garage pay only costs of the
11 Garage, including the cost of debt service on the financing of the Garage; and

12 WHEREAS, all revenues and costs related to the Pacific Place Garage are recorded in the
13 Downtown Parking Garage Fund; and

14 WHEREAS, net proceeds from the operation of the Garage have been historically sufficient to
15 pay all costs of its operations, support a positive cash balance in the Downtown Parking
16 Garage Fund, and maintain the Garage's parking rates below prevailing market levels in
17 accordance with the objective of revitalizing the downtown retail core; and

18 WHEREAS, due to recent economic conditions and other factors, Garage revenues are not
19 sufficient to meet all operating cost obligations of the Pacific Place Garage and maintain
20 a consistently positive cash balance in the Downtown Parking Garage Fund; and

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

23 WHEREAS, the City Council and Mayor approved a short-term loan of not more than \$4 million
24 to the Downtown Parking Garage Fund from the City's Consolidated (Residual) Cash
25 Pool with the enactment of Ordinance 123694 on September 12, 2011; and

26 WHEREAS, the short-term loan expired on December 31, 2012; and

27 WHEREAS, the City's Finance Director is authorized to extend short-term cash pool loans for
28 up to 90 days past their expiration date, at which time legislation must be passed by the
City Council in order to extend the loan for an additional period of time; NOW,
THEREFORE,



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

3 Section 1. A loan of not more than \$5 million of principal and interest outstanding at any
4 one time is hereby authorized to be made from the City's Consolidated (Residual) Cash Pool, or
5 its participating funds, to the Downtown Parking Garage Fund (46010). The loan expires
6 December 31, 2014, with interest on the loan at the rate of return of the City's Consolidated
7 (Residual) Cash Pool.
8

9 Section 2. The entire principal and interest amount of the loan authorized by Section 1
10 owed by Downtown Parking Garage Fund to the City's Consolidated (Residual) Cash Pool, or its
11 participating funds, shall be repaid with the revenues from operating the Pacific Place Garage or
12 the General Fund.
13

14 Section 3. The Director of Finance may effectuate the loan authorized in Section 1 by
15 transferring cash from one or more of the funds participating in the City's Consolidated
16 (Residual) Cash Pool to the Downtown Parking Garage Fund, or by carrying the Downtown
17 Parking Garage Fund in a negative cash position in an amount not to exceed \$5 million through
18 December 31, 2014.
19

20 Section 4. This ordinance shall take effect and be in force 30 days after its approval by
21 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
22 shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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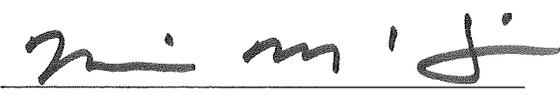


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Passed by the City Council the 25th day of February, 2013, and
signed by me in open session in authentication of its passage this
25th day of February, 2013.


President _____ of the City Council

Approved by me this 4th day of March, 2013.


Michael McGinn, Mayor

Filed by me this 5th day of March, 2013.


Monica Martinez Simmons, City Clerk

(Seal)



FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services	Mark Ellerbrook/3-0026	Jennifer Devore/5-1328

Legislation Title: 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 repayment.

Summary of the Legislation: Recent economic conditions prevent Pacific Place Garage revenues from completely covering garage expenses. This loan replaces a prior short-term loan that expired on December 31, 2012. The Seattle Municipal Code authorizes the City's Finance Director to extend cash pool loans for up to 90 days after their expiration date, at which time the City Council must pass legislation to extend the loan for additional periods of time. By authorizing a loan of up to \$5 million to the Downtown Parking Garage Fund through December 31, 2014, this legislation will provide bridge financing to operate the Pacific Place Garage while a long term solution is identified.

Background: Historically, the Pacific Place Garage generated sufficient revenue to pay all of its expenses, including operating costs, equipment purchases, taxes, and debt service. However, due, in part, to poor economic conditions and reduced downtown retail sales activity, the Pacific Place Garage is currently running a cash deficit.

In 1996, the City launched a plan to revitalize the downtown core by renovating the vacant Fredrick and Nelson building along with other adjacent buildings, and build an associated new premium retail complex. The City's contribution to private development efforts was the purchase of the 1200 stall Pacific Place Garage. Because the purpose of the Garage was to spark and sustain retail activity in the downtown core, the contracts through which the City acquired the facility prescribe many aspects of the Garage's operations and rates, including:

- **Low Rates** – Rates are intended to be low to encourage the public to come to downtown Seattle. Rates are capped at local market conditions, and float to recover only the costs of the Garage. With the exception of recent price fluctuations (see below), rates have been consistently below market conditions over the life of the Garage.
- **Discourage Long-Term Parking** – The purpose of the Garage is to support the shorter trips of people shopping, dining, and attending movie and theatre performances. Under the Land Use Code, only a total of 171 stalls may be used for long-term parking. More long-term parking in the Garage is prohibited.



- Provide a Premium Experience – The Garage is to provide a “first class” parking experience, which includes a valet parking option and short wait times to pay and exit.
- Support Retail Operations – Garage hours are required to cover the hours of operation of all tenants at Pacific Place and Nordstrom.

The City issued general government bonds to purchase the Garage and began operating it in late 1998. Debt service on these bonds was designed to increase gradually over time to mirror the expected increase in nominal parking revenue due to inflation. This approach also provided an early establishment period during the renovation of the retail buildings.

Since the onset of the current economic climate, traffic in the Garage has decreased more than general citywide retail activity. To respond to lower demand as well as higher operating expenses for debt service and parking taxes and to test demand sensitivity to price, the City both raised and lowered parking rates at the Garage over the last 24 months. Neither the increase nor decrease in prices had a noticeable impact on demand. Consequently, revenue is insufficient to pay all expenses, and the Garage fund currently has a negative cash position of \$3.7 million.

Ordinance 123694 passed in September 2011 authorizes a loan of \$4 million to the Downtown Parking Garage Fund. The loan expired December 31, 2012.

The loan authorized by this ordinance provides up to \$5 million to support Garage operations while a long-term solution is identified.

Please check one of the following:

This legislation does not have any financial implications.

This legislation has financial implications

Appropriations:

Fund Name and Number	Department	Budget Control Level*	2013 Appropriation	2014 Anticipated Appropriation
TOTAL			\$0	\$0



Anticipated Revenue/Reimbursement Resulting from this Legislation:

Fund Name and Number	Department	Revenue Source	2013 Revenue	2014 Revenue
Downtown Parking Garage Fund (46010)	Finance and Administrative Services	General Fund Consolidated Cash Pool (00100)	\$5 Million	\$5 Million

Revenue/Reimbursement Notes: This loan does not result in any new revenues for the City but authorizes a loan to the Downtown Parking Garage Fund. The loan will be repaid from excess cash flow from the Garage or from the City's General Fund.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

(This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.)

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2013 Positions	2013 FTE	2014 Positions*	2014 FTE*
TOTAL			0	0	0	0	0

* 2014 positions and FTE are total 2014 position changes resulting from this legislation, not incremental changes. Therefore, under 2014, please be sure to include any continuing positions from 2013.

Position Notes: This legislation does not create any new positions.

Do positions sunset in the future? n/a

Other Implications:

- a) **Does the legislation have indirect financial implications, or long-term implications?**
 If garage performance does not improve or another solution is not found, the General Fund will ultimately be responsible for repayment of the loan.
- b) **What is the financial cost of not implementing the legislation?** Without this loan, the Downtown Parking Garage Fund will be in a negative cash position (receiving a de facto loan) for more than 90 days. Seattle Municipal Code Section 5.06.030 requires Council approval by ordinance of any interfund loan with duration of more than 90 days.
- c) **Does this legislation affect any departments besides the originating department?** No other departments are affected by this legislation.
- d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?** Alternatives to this legislation include subsidizing Garage operations from General Fund resources. In addition, FAS is evaluating options for improving Garage performance. Consequently, a loan that can be repaid from operations



or other solution is currently preferred to a direct subsidy.

- e) **Is a public hearing required for this legislation?** No
- f) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?** No
- g) **Does this legislation affect a piece of property?** No
- h) **Other Issues:** None

List attachments to the fiscal note below: N/A





City of Seattle
Office of the Mayor

January 15, 2013

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

Dear Council President Clark:

I am transmitting the attached proposed Council Bill, which authorizes a loan of up to \$5 million to support continued operations at the Pacific Place Garage through the end of 2014, replacing a \$4 million loan previously authorized by Ordinance 123694 that expired on December 31, 2012. The Seattle Municipal Code authorizes the City's Finance Director to extend cash pool loans for up to 90 days after their expiration date, at which time the City Council must pass legislation to extend the loan for additional periods of time. The loan will be repaid with revenue from the Garage's operations or by the City's General Fund.

The City of Seattle acquired the Pacific Place Garage in 1998 through agreements authorized by Ordinance 118011 for the purpose of encouraging short-term parking as part of an effort to revitalize the downtown core. Historically, revenues from the operation of the Garage have been sufficient to pay all operating costs. However, due to the economic downturn and other factors, the Garage is currently facing an operating deficit.

In addition to the loan proposed by this legislation, the Department of Finance and Administrative Services (FAS) is considering options for the Garage's future and will continue to monitor its operations and revenues while determining next steps. We will keep the Council apprised of viable options as more information becomes available.

Thank you for your consideration of this legislation. Should you have questions, please contact Mark Ellerbrook at 3-0026.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council



Received
APR 04 2013
City of Seattle
Office of the City Clerk

STATE OF WASHINGTON – KING COUNTY

--SS.

295003
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:124115,119-124126

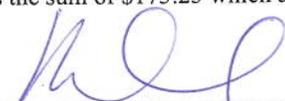
was published on

03/14/13

The amount of the fee charged for the foregoing publication is the sum of \$173.25 which amount has been paid in full.



Affidavit of Publication



Subscribed and sworn to before me on
03/14/2013 

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle

The full text of the following legislation, passed by the City Council on February 25, 2013, 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. 124115

AN ORDINANCE related to a settlement agreement between the City of Seattle and Building 11 Investors, LLC; authorizing the Superintendent of Parks and Recreation to implement the terms of the settlement agreement; increasing appropriations in connection thereto; making a cash transfer between various city funds; and ratifying and confirming certain prior acts, all by a 3/4 vote of the City Council.

ORDINANCE NO. 124119

AN ORDINANCE relating to the Department of Parks and Recreation and Seattle Public Utilities; transferring partial jurisdiction of a portion of Lake Washington Boulevard located beneath, adjacent to, and across Lake Washington Boulevard South from a parking lot at 53rd Avenue South, from the Department of Parks and Recreation to Seattle Public Utilities for maintenance, repair and operation of a combined sewer overflow underground storage tank, associated underground pipes and electrical lines, and limited surface ancillary facilities; and finding that transfer of partial jurisdiction meets the requirements of Ordinance 118477, which adopted Initiative 42.

ORDINANCE NO. 124120

AN ORDINANCE relating to the Department of Parks and Recreation and Seattle Public Utilities; transferring partial jurisdiction of a portion of Lake Washington Boulevard South located beneath and adjacent to a parking lot between 48th Avenue South and 49th Avenue South, from the Department of Parks and Recreation to Seattle Public Utilities for maintenance, repair, and operation of a combined sewer overflow underground storage tank, associated underground pipes and electrical lines, and limited surface ancillary facilities; and finding that transfer of partial jurisdiction meets the requirements of Ordinance 118477, which adopted Initiative 42.

ORDINANCE NO. 124121

AN ORDINANCE relating to the Central Waterfront Project, authorizing execution of a Memorandum of Understanding Concerning Renovation and Expansion of the Seattle Aquarium and Development of the Central Waterfront Project between the City of Seattle and the Seattle Aquarium Society.

ORDINANCE NO. 124122

AN ORDINANCE relating to the Central Waterfront Project, authorizing execution of a Memorandum of Understanding Concerning Redevelopment of the PC-1 North Site within the Pike Place Market Historical District.

ORDINANCE NO. 124123

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 repayment.

ORDINANCE NO. 124124

AN ORDINANCE relating to the Department of Finance and Administrative Services; authorizing the Director of Finance and Administrative Services to execute a three-year extension to a lease agreement under which the City leases warehouse space at Federal Center South, 4735 East Marginal Way South in Seattle, from the U.S. General Services Administration.

ORDINANCE NO. 124125

AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of unlimited tax general obligation bonds and bond anticipation notes, and authorizing the loan of funds from various City funds, to pay all or part of the costs of the design, construction, renovation, improvement and replacement of the Alaskan Way seawall and associated public infrastructure, as authorized at the November 6, 2012 election, and to pay the costs of issuing and selling the bonds and the notes; providing for terms and sale of the bonds and the notes; creating a project fund; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124126

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

Date of publication in the Seattle Daily Journal of Commerce, March 14, 2013.

3/14(295003)