

Ordinance No. 124348 [124348]

Council Bill No. 1M953

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; superseding Ordinance 124123; and providing for repayment.

Related Legislation File: _____

Date Introduced and Referred: <u>10.28.13</u>	To: (committee): <u>Budget</u>
Date Re-referred:	To: (committee):
Date Re-referred:	To: (committee):
Date of Final Action: <u>11/25/13</u>	Date Presented to Mayor: <u>11/26/13</u>
Date Signed by Mayor: <u>12.3.13</u>	Date Returned to City Clerk: <u>12.4.13</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: Burgess

Committee Action:

Date	Recommendation	Vote
<u>11/18/13</u>	<u>Pass</u>	<u>9-0</u>

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

Full Council Action:

Date	Decision	Vote
<u>Nov. 25, 2013</u>	<u>Passed</u>	<u>9-0</u>

LAW DEPARTMENT

CITY OF SEATTLE

ORDINANCE ~~124338~~ # 124348

COUNCIL BILL 117933

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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; superseding Ordinance 124123; 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 passed Ordinance 124123, authorizing a short-term loan of not
24 more than \$5 million to the Downtown Parking Garage Fund from the City's
25 Consolidated (Residual) Cash Pool, on February 25, 2013; and

26 WHEREAS, the City now desires to extend the loan through December 31, 2015 and increase
27 the loan amount to \$9,500,000; and

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



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

2 **Section 1.** A loan of not more than \$9,500,000 of principal and interest outstanding at
3 any one time is hereby authorized to be made from the City's Consolidated (Residual) Cash Pool,
4 or its participating funds, to the Downtown Parking Garage Fund (46010). The loan expires
5 December 31, 2015, with interest on the loan at the rate of return of the City's Consolidated
6 (Residual) Cash Pool. This ordinance supersedes Ordinance 124123 and represents an extension
7 and an increase in the amount of the loan authorized therein.

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.

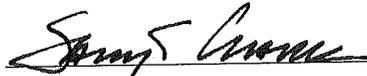
13
14 **Section 3.** The Director of Finance may effectuate the loan authorized in Section 1 by
15 transferring cash from one or more of the funds participating in the City's Consolidated
16 (Residual) Cash Pool to the Downtown Parking Garage Fund, or by carrying the Downtown
17 Parking Garage Fund in a negative cash position in an amount not to exceed \$9,500,000 through
18 December 31, 2015.

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



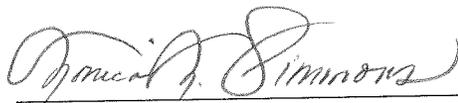
President _____ of the City Council

Approved by me this 30 day of December, 2013.



Michael McGinn, Mayor

Filed by me this 4th day of December, 2013.



Monica Martinez Simmons, City Clerk

(Seal)



2014 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Finance and Administrative Services (FAS)	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; superseding Ordinance 124123; and providing for repayment.

Summary of the Legislation:

Recent economic conditions prevent Pacific Place Garage revenues from completely covering garage expenses. This loan increases and extends the loan authorized by Ordinance 124123 passed by City Council on February 25, 2013. 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 \$9,500,000 to the Downtown Parking Garage Fund through December 31, 2015, 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. 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 \$2.8 million.

Ordinance 124123 passed in February 2013 authorizes a loan of \$5 million to the Downtown Parking Garage Fund. The loan expires December 31, 2014.

The loan authorized by this ordinance provides up to \$9,500,000 to support Garage operations while a long-term solution is identified.

 This legislation does not have any financial implications.

 X This legislation has financial implications.

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

Fund Name and Number	Revenue Source	Total 2014 Revenue	Total 2015 Revenue
TOTAL			

Total Revenue Notes: This loan does not result in any new revenues for the City but authorizes a loan from the Consolidated Cash pool 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.

Other Implications:

- Does the legislation have indirect financial implications, or long-term implications?**
 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.

- b) **What is the financial cost of not implementing this 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.

Please list attachments to the fiscal note below: None.



City of Seattle
Office of the Mayor

September 23, 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 \$11,750,000 from the City's cash pool to support continued operations at the Pacific Place Garage through the end of 2015, replacing a \$5 million loan previously authorized by Ordinance 124123. 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. This legislation will provide bridge financing to operate the Pacific Place Garage while a long term solution is identified.

Thank you for your consideration of this legislation. Should you have questions, please contact Mark Ellerbrook at 233-0026.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

STATE OF WASHINGTON -- KING COUNTY

--ss.

305473
CITY OF SEATTLE, CLERKS OFFICE

No. 124347,348,349,350,351

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.

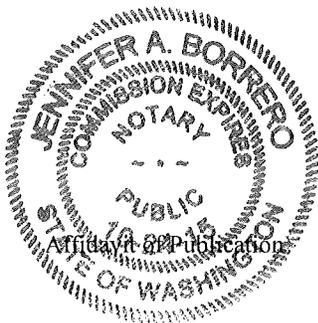
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT: TITLE ONLY ORDINANCE

was published on

12/12/13

The amount of the fee charged for the foregoing publication is the sum of \$99.00 which amount has been paid in full.



Samela C. C. C. C. C.
Subscribed and sworn to before me on
12/12/2013 *[Signature]*

Notary public for the State of Washington,
residing in Seattle

State of Washington, King County

City of Seattle Title Only Ordinances

The full text of the following legislation, passed by the City Council on November 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. 124347

AN ORDINANCE related to fees and charges for permits and activities of the Department of Planning and Development; amending Seattle Municipal Code Chapter 22.900A, Administration and Enforcement; and adding a new Chapter 22.900H, Rental Registration and Inspection Ordinance Program Fees.

ORDINANCE NO. 124348

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; superseding Ordinance 124123; and providing for repayment.

ORDINANCE NO. 124349

AN ORDINANCE adopting a budget, including a capital improvement program and position modifications, for The City of Seattle for 2014; creating positions exempt from civil service; all by a two-thirds vote of the City Council.

ORDINANCE NO. 124350

AN ORDINANCE authorizing the levy of regular property taxes by The City of Seattle for collection in 2014, representing a decrease

below the regular property taxes levied for collection in 2013; and ratifying and confirming certain prior acts.

ORDINANCE NO. 124351

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 2014; and ratifying and confirming certain prior acts.

Date of publication in the Seattle Daily Journal of Commerce, December 12, 2013.
12/12(305473)

STATE OF WASHINGTON -- KING COUNTY

--SS.

305473
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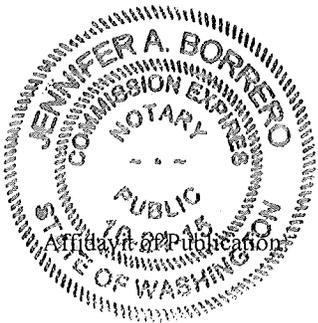
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