

Ordinance No. 121980

Council Bill No. 115420

AN ORDINANCE relating to the Joint Training Facility project; amending Ordinance 121179, as previously amended by Ordinance 121363, to extend the term of an interfund loan.

CF No. \_\_\_\_\_

Date Introduced:	OCT 17 2005	
Date 1st Referred:	OCT 17 2005	To: (committee) BUDGET
Date Re - Referred:	To: (committee)	
Date Re - Referred:	To: (committee)	
Date of Final Passage:	Full Council Vote: 9-0	
Date Presented to Mayor:	Date Approved: 11/30/05	
Date Returned to City Clerk:	Date Published: 2 pp	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: Richard J. McIver  
Councilmember

## Committee Action:

11/9/05 <sup>9-0</sup> Pass RM, JC, RC, DP, TD, JG, NL, TR, PS

11-28-05 Passed 9-0

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

*Law Department*

Law Dept. Review

OMP Review

City Clerk Review

Electronic Copy Loaded

Indexed

Budget

ORDINANCE 121980

AN ORDINANCE relating to the Joint Training Facility project; amending Ordinance 121179, as previously amended by Ordinance 121363, 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 Subaccount 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 S.; and

WHEREAS, the source for repaying the loan will be the proceeds generated from the sale of excess City-owned property at the Joint Training Facility site; and

WHEREAS, Ordinance 121363 extended the term of the loan through the end of 2005; and

WHEREAS, proceeds from the sale of excess City-owned property at the Joint Training Facility site are not expected to allow repayment of the loan by the deadline established in Ordinance 121363; and

WHEREAS, in the normal course of business the City may temporarily make interfund loans to maintain required balances; NOW, THEREFORE,

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

Section 1. Section 3 of Ordinance 121179, which was amended by Section 1 of Ordinance 121363 to extend through 2005 the term of a loan of \$10.48 million to the Cumulative Reserve Subfund from the Consolidated Cash Pool, is hereby further amended as follows:

Section 3. The entire principal loaned as authorized in Section 2, with interest thereon at the rate of return of the City's Consolidated Cash Pool, shall be repaid no later than ~~((December 31, 2005))~~ December 31, 2006, unless extended by ordinance.



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Section 2. 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 28<sup>th</sup> day of November, 2005, and signed by me in open session in authentication of its passage this 28<sup>th</sup> day of November, 2005.

  
\_\_\_\_\_  
President \_\_\_\_\_ of the City Council

Approved by me this 30<sup>th</sup> day of November, 2005.

  
\_\_\_\_\_  
Gregory J. Nickels, Mayor

Filed by me this 2nd day of December, 2005.

  
\_\_\_\_\_  
City Clerk

(Seal)



**FISCAL NOTE FOR CAPITAL PROJECTS ONLY**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>DOF Analyst/Phone:</b>
Fleets and Facilities	Joan Rosenstock / 684-8541	Candice Chin / 233-7014

**Legislation Title:**

AN ORDINANCE relating to the Joint Training Facility project; amending Ordinance 121179, as previously amended by Ordinance 121363, to extend the term of an interfund loan.

**Summary and background of the Legislation:**

This legislation would amend Section 3 of Ordinance 121179, which was subsequently amended by Ordinance 121363, by extending the deadline for the Fleets and Facilities Department's repayment of a \$10.48 million loan by one year, from December 31, 2005 to December 31, 2006. The loan was originally authorized in mid-2003 under Ordinance 121179 to support site acquisition and certain pre-construction activities at the Joint Training Facility and represented 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. Ordinance 121363 amended Ordinance 121179 to extend the term of the loan from December 31, 2003 to December 31, 2005.

The Joint Training Facility Project required the acquisition of an approximately 51 acre parcel of land that was larger than required for the Project itself. The City intends to sell approximately 21 acres of excess property at the site and apply the proceeds from the sale to repay the loan. Though we have a Purchase and Sale Agreement, subject to City Council approval, with a prospective purchaser, it is unlikely that we will be able to repay the loan prior to its current deadline of December 31, 2005, necessitating extension of the repayment deadline.

Though not expressly addressed in the legislation, the loan extension will result in additional interest expense payable by the Fleets and Facilities Department. The estimated interest expense payable by the Fleets and Facilities Department for the two-year loan extension under Ordinance 121363 is \$740,674 to 12/31/2005. The estimated interest expense for the one-year extension under the proposed legislation is an additional \$510,177 to 12/31/2006. Earlier repayment of the loan would reduce this cost. Deviations in actual interest rates from assumed levels would also affect the actual amount due.

<b>Project Name:</b>	<b>Project I.D.</b>	<b>Project Location:</b>	<b>Start Date:</b>	<b>End Date</b>
Joint Training Facility		9401 Myers Way S.	2003	2006

- *Please check any of the following that apply:*





# City of Seattle

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Gregory J. Nickels, Mayor

## Office of the Mayor

September 26, 2005

Honorable Jan Drago  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

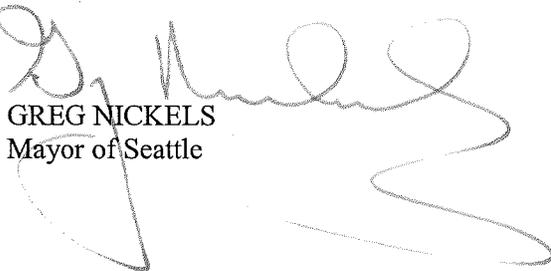
Dear Council President Drago:

I am transmitting the attached proposed Council Bill, which authorizes a one-year extension to repay a \$10.48 million interfund loan from the City's Consolidated Cash Pool to the Cumulative Reserve Subfund for the Joint Training Facility project.

Ordinance 121179, which was subsequently amended by Ordinance 121363, authorized a loan to temporarily fund certain expenditures for the Joint Training Facility. Funds to repay the loan are to come from the sale of excess City-owned property at the Joint Training Facility site. While Fleets and Facilities Department staff have negotiated a Purchase and Sale Agreement (subject to City Council approval), they do not expect the transaction to be complete prior to the loan's December 31, 2005 deadline, necessitating the one-year extension authorized by this Bill. Additional details regarding repayment of the loan are provided in the fiscal note accompanying this legislation.

Thank you for your consideration of this legislation. Should you have questions, please contact Mary Pearson at 684-0407.

Sincerely,



GREG NICKELS  
Mayor of Seattle

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600 Fourth Avenue, 7<sup>th</sup> Floor, P.O. Box 94749, Seattle, WA 98124-4749

Tel: (206) 684-4000, TDD: (206) 684-8811 Fax: (206) 684-5360, Email: [mayors.office@seattle.gov](mailto:mayors.office@seattle.gov)

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**This legislation creates, funds, or anticipates a new CIP Project.**

       **This legislation does not have any financial implications.**

  X   **This legislation has financial implications.**

***Appropriations:***

Fund Name and Number	Department	Budget Control Level*	2005 Appropriation	2006 Anticipated Appropriation
NA: See Below				
<b>TOTAL</b>				

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

***Notes:***

This legislation makes no appropriations, but rather extends the deadline for repayment of a loan. The Fleets and Facilities Department will seek any necessary appropriations to repay this loan only upon receipt of revenues that will be used to fund repayment.

***Spending Plan and Future Appropriations for Capital Projects:***

Spending Plan and Budget	2005	2006	2007	2008	2009	2010	Total
Spending Plan		\$1,250,851					\$1,250,851
Current Year Appropriation							
Future Appropriations		\$1,250,851					\$1,250,851

***Notes:***

No interest on the loan has yet been paid. The expenditure amounts in the above table represent the expected additional interest expense that the Fleets and Facilities Department would incur as a result of extending the loan from its original 12/31/03 repayment deadline to the end of the loan extension period proposed under this legislation (12/31/06). The amounts are based on an assumed average interest rate of 3.125% for 2004, 3.625% for 2005, and 4.400% for 2006. The estimated accrued interest is compounded monthly to extended maturity.

These amounts are over and above the estimated \$142,272 interest expense that the Department will incur for 2003. Total interest expense for 2003 through the end of 2006 is estimated at \$1,393,123. Funding source(s) for payment of this interest expense has not yet been specified.

***Funding source:***



Funding Source (Fund Name and Number, if applicable)	2005	2006	2007	2008	2009	2010	Total
TBD		\$510,177					\$510,177
<b>TOTAL</b>		\$510,177					\$510,177

Funding source options include excess property sale proceeds and other Departmental capital fund sources. Except for the additional interest expense, repayment of the loan in 2006 instead of 2003 does not create any new funding requirements. In accordance with current law, the Department expects that repayment of the loan will be funded primarily from the proceeds of the sale of excess City-owned property.

***Bond Financing Required:***

Type	Amount	Assumed Interest Rate	Term	Timing	Expected Annual Debt Service/Payment
None					
<b>TOTAL</b>					

***Uses and Sources for Operation and Maintenance Costs for the Project:***

O&M	2005	2006	2007	2008	2009	2010	Total
<b>Uses</b>							
Start Up							
On-going							
<b>Sources (itemize)</b>							

***Notes:***

No incremental O&M expense is anticipated.

***Periodic Major Maintenance costs for the project:***

Major Maintenance Item	Frequency	Cost	Likely Funding Source
None			
<b>TOTAL</b>			

***Funding sources for replacement of project:***

N/A

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



Position Title and Department*	Fund Name	Fund Number	Part-Time/ Full Time	2005 Positions	2005 FTE	2006 Positions**	2006 FTE**
None							
<b>TOTAL</b>							

- **Do positions sunset in the future?**

N/A

- **What is the financial cost of not implementing the legislation:**

The Department's primary fund source for repaying the loan is proceeds from the sale of excess City-owned land at the Joint Training Facility site. Absent this legislation to extend the loan repayment deadline, the Fleets and Facilities Department would have to request Council consideration to redirect already programmed capital funds from their intended use to repayment of the loan by 12/31/05.

- **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**

None.

**Please list attachments to the fiscal note below:**

Attachment A: Estimated Interest Due on Cash Pool Loan



**ATTACHMENT A**  
**Estimated Interest Due on Cash Pool Loan**

Assumption: Interest is Compounded Monthly to Extended Maturity

Loan	Year	Rate	Month	Interest	Principal + Accrued Interest	Accrued Interest	Accrual Period
Principal	2003				10,480,000		
Interest for 2003	2003		0	142,272	10,622,272	142,272	2003
Interest	2004	0.03125	1	27,662	10,649,934		
		0.03125	2	27,734	10,677,668		
		0.03125	3	27,806	10,705,475		
		0.03125	4	27,879	10,733,354		
		0.03125	5	27,951	10,761,305		
		0.03125	6	28,024	10,789,329		
		0.03125	7	28,097	10,817,427		
		0.03125	8	28,170	10,845,597		
		0.03125	9	28,244	10,873,841		
		0.03125	10	28,317	10,902,158		
		0.03125	11	28,391	10,930,549		
		0.03125	12	28,465	10,959,014		
<b>Total Interest</b>	<b>2004</b>			<b>336,742</b>			
	2005	0.03625	1	33,105	10,992,119		
		0.03625	2	33,205	11,025,325		
		0.03625	3	33,306	11,058,630		
		0.03625	4	33,406	11,092,037		
		0.03625	5	33,507	11,125,544		
		0.03625	6	33,608	11,159,152		
		0.03625	7	33,710	11,192,862		
		0.03625	8	33,812	11,226,674		
		0.03625	9	33,914	11,260,588		
		0.03625	10	34,016	11,294,604		
		0.03625	11	34,119	11,328,723		
		0.03625	12	34,222	11,362,946		
<b>Total Interest</b>	<b>2005</b>			<b>403,932</b>		740,674	2004 + 2005
	2006	0.044	1	41,664	11,404,610		
		0.044	2	41,817	11,446,427		
		0.044	3	41,970	11,488,397		
		0.044	4	42,124	11,530,521		
		0.044	5	42,279	11,572,799		
		0.044	6	42,434	11,615,233		
		0.044	7	42,589	11,657,822		
		0.044	8	42,745	11,700,568		
		0.044	9	42,902	11,743,470		
		0.044	10	43,059	11,786,529		
		0.044	11	43,217	11,829,746		
		0.044	12	43,376	11,873,122		
<b>Total Interest</b>	<b>2006</b>			<b>510,177</b>		510,177	2006
<b>TOTAL LIABILITY</b>				<b>1,393,122</b>		<b>1,393,122</b>	



**STATE OF WASHINGTON – KING COUNTY**

--SS.

192522  
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 12<sup>th</sup> day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

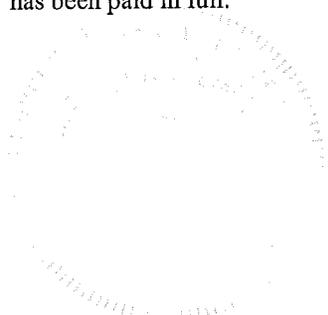
The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:121980-81,984,989-995

was published on

12/07/05

The amount of the fee charged for the foregoing publication is the sum of \$ 125.88, which amount has been paid in full.



*[Handwritten signature]*

Subscribed and sworn to before me on  
12/07/05 *[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 28, 2005, and published here by title only, will be mailed upon request, or can be accessed electronically at <http://clerk.ci.seattle.wa.us>. For further information, contact the Seattle City Clerk at 684-8344.

#### ORDINANCE NO. 121995

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

#### ORDINANCE NO. 121994

AN ORDINANCE authorizing, in 2005, acceptance of funding from non-City sources; authorizing the Department of Neighborhoods, the Department of Parks and Recreation, the Human Services Department, the Law Department, the Office of Economic Development, the Office of Housing, Seattle City Light, the Seattle Fire Department, the Seattle Police Department, the Seattle Public Library and Seattle Public Utilities to accept specified grants and private funding and to execute corresponding agreements; authorizing Seattle Public Utilities to amend a funding agreement with King County; and authorizing Seattle Public Utilities to accept and obligate the City to repay loans from state sources for certain capital projects.

#### ORDINANCE NO. 121993

AN ORDINANCE amending the 2005 Adopted Budget, including the 2005-2010 Capital Improvement Program (CIP); changing appropriations to various departments and from various funds in the Budget; making cash transfers between various City funds and sub funds; creating positions, one of which is exempt from the Civil Service; abrogating positions; and amending the CIP; all by a three-fourths vote of the City Council.

#### ORDINANCE NO. 121991

AN ORDINANCE adopting a budget, including a capital improvement program and position list, for the City of Seattle for fiscal year 2006.

#### ORDINANCE NO. 121989

AN ORDINANCE amending the 2005 Adopted Budget, including the 2005-2010 Capital Improvement Program (CIP); changing appropriations to various departments and from various funds in the Budget; and establishing a new appropriation; all by a three-fourths vote of the City Council.

#### ORDINANCE NO. 121984

AN ORDINANCE relating to and providing for the disposition of certain monies seized and forfeited, and for the proceeds of the sale of goods and materials seized and forfeited, pursuant to the Money Laundering Act, RCW 9A.83; accepting such forfeitures; appropriating such monies to reimburse expenses incurred by the Police Department to expand Police Department programs that enforce controlled substances-related laws in accordance with RCW 9A.83; and increasing the 2006 Budget of the Police Department; all by a three-fourths vote of the City Council.

#### ORDINANCE NO. 121981

AN ORDINANCE relating to, and providing for, the disposition of certain monies seized and forfeited, and the disposition of proceeds from the sale of goods and materials seized and forfeited, pursuant to the Uniform Controlled Substances Act; accepting such forfeitures and appropriating such monies to reimburse expenses incurred by the Police and Law Departments to expand Police and Law Department programs that enforce controlled substance and other drug enforcement laws; transferring to the State its required share of the value of such forfeitures; and increasing the 2006 Budgets of the Police and Law Departments; all by a three-fourths vote of the City Council.

#### ORDINANCE NO. 121980

AN ORDINANCE relating to the Joint Training Facility project; amending Ordinance 121179, as previously amended by Ordinance 121363, to extend the term of an interfund loan.

Publication ordered by JUDITH PIPPIN,  
City Clerk

Date of publication in the Seattle Daily  
Journal of Commerce, December 7, 2005  
12/7(192522)