

2011 - 2012 Seattle City Council Green Sheet

Approved

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143	1	A	1

Budget Action Title: Do Pass Council Bill No. 117017, the JTF Interfund Loan Extension Ordinance

Councilmembers: Budget Committee

Staff Analyst: Kieu-Anh King

Council Bill or Resolution: CB No. 117017, Gray Tab No. 7

Budget Committee Vote:

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/12/2010	Pass 8- 1-Abstain	Y	Y	Y	Y	Y	Y	A	Y	Y

Budget Action description:

Do Pass Council Bill No. 117017 – JTF Interfund Loan Extension Ordinance.

This ordinance authorizes a two-year extension (beyond 31 December 2010) of the \$10.48M interfund loan that the Finance and Administrative Services (FAS) Department (then called the Fleets and Facilities Department) received in June of 2003 to finance a land purchase and other costs related to the Joint Training Facility (JTF), an interagency fire and emergency response training facility located at 9501 Myers Way South, east of the White Center neighborhood and just shy of Seattle’s southernmost border.

The original loan, from the City’s consolidated cash pool, was scheduled to be repaid by 31 December 2003, through proceeds from the sale of the excess property, which is approximately 31 acres. For various reasons, the property has not yet been sold. The loan has been extended every one-to-two years, with interest accruing, since 2003. FAS is currently marketing the property for sale and development and hopes to sell the property in the coming two years.

If FAS repays the loan at the end of 2011, the balance will have grown to \$13.3 million. At the end of 2012, the balance will have grown to \$13.5 million.

At this time, FAS does not expect the sale of the property to fully repay the interfund loan. The City Budget Office is preparing for this possibility by transferring \$500,000 per year of GSF funding, starting in 2012, to the Cumulative Reserve Fund – Unrestricted subaccount, to offset the expected loss.

If Council does not pass this Council Bill, the City will be forced to use \$13.1 million of cash to repay this loan before 31 December 2010 and will likely need to reduce GSF appropriations in the 2011 Proposed Budget by the same amount.

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Council staff recommends passage of this Council Bill.