

**2011 - 2012 Seattle City Council Green Sheet**

**Approved**

Tab	Action	Option	Version
150	1	A	1

**Budget Action Title:** Pass C.B. 117001, authorizing a loan from the City's cash pool to the Pike Place Market Renovation Fund

**Councilmembers:** Budget Committee

**Staff Analyst:** Martha Lester

**Council Bill or Resolution:** C.B. 117001, tab #11 in gray notebook

**Budget Committee Vote:**

Date	Result	SB	BH	SC	TR	JG	NL	RC	TB	MO
11/12/2010	Pass 9-	Y	Y	Y	Y	Y	Y	Y	Y	Y

***Budget Action description:***

This green sheet would recommend passage of C.B. 117001, authorizing a loan from the City's Consolidated Cash Pool to the Pike Place Market Renovation Fund.

In November 2008, voters approved a \$73 million property tax levy for infrastructure improvements at the Pike Place Market. The City entered into an agreement with the Pike Place Market Preservation and Development Authority (PDA) in which the City agreed to obtain financing to provide funds to the PDA in advance of receipt of levy proceeds in accordance with the PDA's project cash flow needs. The levy included \$4.4 million to cover the City's financing costs.

The PDA's project is on schedule and on budget. The City plans to borrow up to \$11 million from limited tax general obligation (LTGO) bonds to be issued in spring 2011 to meet the PDA's 2011 needs. However, based on the PDA's Phase II construction schedule, it will need about \$7.5 million before the bonds are issued. Thus Finance Division staff in the Department of Finance and Administrative Services propose a loan from the City's Consolidated Cash Pool to the Pike Place Market Renovation Fund, to be repaid with interest.

The City's Finance Director has authority to approve an inter-fund loan for up to 90 days. Because this loan would likely last longer than 90 days (December 2010 to April 2011), this ordinance would provide authority for the longer loan. The ordinance sets a final repayment date no later than December 31, 2014. By stating this repayment deadline in 2014, the ordinance would provide flexibility for similar internal loans as needed to meet cash flow needs through the life of the renovation project if that proves economical. The maximum authorized loan under the ordinance is \$7.5 million in principal and interest outstanding at any one time.