

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

Department:	Contact Person/Phone:	CBO Analyst/Phone:
FAS	Michael Van Dyck 4-8347 Ben Noble 4-8160	Hall Walker 3-7065

Legislation Title:

AN ORDINANCE relating to contracting indebtedness; amending Ordinance 124053 to lower the amount of bonds authorized to be issued thereunder and amending Exhibit A to Ordinance 124053 to adjust the projects listed thereon.

Summary and background of the Legislation:

This legislation amends the 2013 limited tax general obligation (LTGO) bond ordinance approved by the City Council last fall to reflect the addition of financing for Magnuson Park Building 11, and eliminates or reduces financing for other projects that no longer need it in 2013.

Overall, these changes reduce the size of the 2013 LTGO bond issue from \$94 million to about \$59 million. They also reduce the City's debt service in 2013 by about \$1.2 million, and in 2014 by about \$2.5 million. Most of these savings accrue to SDOT. The budget authority for payment of this debt service will be amended in a 2013 quarterly supplemental budget.

The tables below show these adjustments.

Revised Project List

			Principal			Approx.	Approx.	D.S.
		Capital	pl. 3% pricing	Max.	Approx.	2013 Debt	2014 Debt	Paid
#	Project	Costs	adj. & costs)	Term	Rate	Service	Service	From
1	Bridge Seismic (BTG)	-	-	20	4.50%	-	-	SDOT (BTG) (2)
2	Mercer West (CPT)	-	-	20	4.50%	-	-	SDOT (CPT) (3)
3	South Park Bridge	-	-	20	4.50%	-	-	GF
4	Seawall (CPT)	-	-	20	4.50%	-	-	SDOT (CPT) (3)
5	Golf	1,810,158	1,864,463	20	4.50%	62,926	143,333	DPR
6	Rainier Beach Community Center	6,600,000	6,798,000	20	4.50%	229,433	522,604	GF
7	Magnuson 30	5,215,000	5,371,450	12	3.50%	141,001	555,859	DPR
8	Magnuson 11 Settlement	5,850,000	6,025,500	12	3.50%	158,169	623,543	DPR
9	Fire Facilities (1 of 5)	12,726,000	13,107,780	20	4.50%	442,388	1,007,676	REET I
10	North Precinct (1 of 3)	4,250,000	4,377,500	20	4.50%	147,741	336,525	GF
11	B&O IT	7,632,000	7,860,960	5	3.00%	176,872	1,716,477	GF (4)
12	Financial IT Upgrades (1 of 3)	5,886,000	6,062,580	5	3.00%	136,408	1,323,792	FAS
13	Data Center (1 of 3)	2,625,000	2,703,750	10	3.50%	70,973	325,103	DoIT
14	Video Mobile Data Terminals	4,479,196	4,613,572	5	3.00%	103,805	1,007,395	GF
	Total	57,073,354	58,785,555			1,669,715	7,562,305	

Previously Adopted Project List

#	Project	Capital Costs	Principal (incl. 3% pricing adj. & costs)	Max. Term	Approx. Rate	Approx. 2013 Debt Service	Approx. 2014 Debt Service	Approx. 2015 Debt Service	D.S. Paid From
1	Bridge Seismic (BTG)	6,928,043	7,135,884	20	4.50%	240,836	548,579	548,579	SDOT (BTG) (2)
2	Mercer West (CPT)	11,173,000	11,508,190	20	4.50%	388,401	884,705	884,705	SDOT (CPT) (3)
3	South Park Bridge	10,000,000	10,300,000	20	4.50%	347,625	791,824	791,824	GF
4	Seawall (CPT)	6,200,000	6,386,000	20	4.50%	215,528	490,931	490,931	SDOT (CPT) (3)
5	Golf	7,370,846	7,591,971	20	4.50%	256,229	583,641	583,641	DPR
6	Rainier Beach Community Center	6,600,000	6,798,000	20	4.50%	229,433	522,604	522,604	GF
7	Magnuson 30	5,215,000	5,371,450	12	3.50%	141,001	555,859	555,859	DPR
8	Fire Facilities (1 of 5)	12,726,000	13,107,780	20	4.50%	442,388	1,007,676	1,007,676	REET I
9	North Precinct (1 of 3)	4,250,000	4,377,500	20	4.50%	147,741	336,525	336,525	GF
10	B&O IT	7,632,000	7,860,960	5	3.00%	176,872	1,716,477	1,716,477	GF (4)
11	Financial IT Upgrades (1 of 3)	5,886,000	6,062,580	5	3.00%	136,408	1,323,792	1,323,792	FAS
12	Data Center (1 of 3)	2,625,000	2,703,750	10	3.50%	70,973	325,103	325,103	DoIT
13	Video Mobile Data Terminals	4,479,196	4,613,572	5	3.00%	103,805	1,007,395	1,007,395	GF
14	Handheld Ticketing	-	-	5	3.00%	-	-	-	GF
Total		91,085,085	93,817,638			2,897,239	10,095,111	10,095,111	

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

☐ This legislation does not have any financial implications.

☒ This legislation has financial implications.

Appropriations:

This legislation does not make any appropriations.

Other Implications:

a) Does the legislation have indirect financial implications, or long-term implications?

Overall, these changes will reduce or delay annual debt service costs.

b) What is the financial cost of not implementing the legislation?

The City would pay debt service on bonds that it does not need – approximately \$1.2 million in 2013 and \$2.5 million in 2014. For Building 11, the City could use \$5.85 million of cash, but would need to find budget savings to support it. Alternatively, it could use an inter-fund loan, but would have no clear source for repayment.

c) Does this legislation affect any departments besides the originating department?

This legislation affects FAS, SDOT, DPR, DoIT, and CBO.

d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?

None.

e) Is a public hearing required for this legislation?

None

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: