Form revised: December 5, 2014

SUMMARY and FISCAL NOTE

Department:	Contact Person/Phone:	Executive Contact/Phone:
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1. BILL SUMMARY

AN ORDINANCE relating to the North Precinct project in the Department of Finance and Administrative Services; amending Ordinance 124648, which adopted the 2015 Budget; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, in the amount of $2,750,000, to the 2016 Bond Fund for bridge financing of the North Precinct project; establishing a budget control level in the 2016 Multipurpose LTGO Bond Fund; increasing appropriations of $1,500,000 in the 2016 Multipurpose LTGO Bond Fund; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Summary and background of the Legislation: As part of the 2013-2018 Adopted Capital Improvement Program, the Executive proposed and the Council adopted the acquisition of a site and the design and construction of a new North Precinct for the Seattle Police Department. In addition to overcrowding and the cost of the leases at adjacent privately owned facilities, the existing facility, built in 1984, is not designed to essential facility standards, which means the building will most likely cease to function during a large seismic event. The existing site cannot adequately accommodate an expansion or addition to the facility. This multi-year project is estimated to cost $160 million and is funded by proceeds from multiple fund sources through 2019.

The project has completed the purchase of several parcels and is currently engaged in design, tenant relocations and the negotiation for acquisition of an easement. The timing of expenditures related to this work varied from initial cash flow projections through 2015 and has resulted in a projected negative cash position in the project's budget beginning in the third quarter of 2015.

This ordinance seeks Council authorization to establish a revolving interfund loan for the implementation phase of the North Precinct project in the amount of $2,750,000 to meet cash flow requirements as bridge financing in advance of the 2016 LTGO bond issuance. The entire principal and interest amount of the loan authorized by this ordinance will be repaid by proceeds of the 2016 LTGO bonds issued for this project, subject to future authorization by ordinance for the 2016 bond. This ordinance also increases appropriation in the 2016 Multipurpose LTGO Bond Fund in order to pay for 2015 capital costs to be incurred.

The North Precinct project is scheduled to be completed in 2019. The Executive will seek Council approval to issue LTGO bonds for the project in 2016, 2017, 2018 and 2019. The debt service will be repaid through the REET fund or General Fund.

2. CAPITAL IMPROVEMENT PROGRAM

__X__ This legislation creates, funds, or amends a CIP Project.

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Cost:
North Precinct	A1PS107	N/A	Q3/2013	Q4/2019	$160 million

3. SUMMARY OF FINANCIAL IMPLICATIONS

__X__ This legislation has direct financial implications.

Budget program(s) affected:				
Estimated $ Appropriation change:	**General Fund $**		**Other $**	
	2015	**2016**	**2015**	**2016**
			$1,500,000	**$4,000,000**
Estimated $ Revenue change:	**Revenue to General Fund**		**Revenue to Other Funds**	
	2015	**2016**	**2015**	**2016**
Positions affected:	**No. of Positions**		**Total FTE Change**	
	2015	**2016**	**2015**	**2016**
Other departments affected:				

Note: The 2016 appropriation change will be requested in the 2016 budget.

3.a. Appropriations

__X__ This legislation adds, changes, or deletes appropriations.

Fund Name and number	Dept	Budget Control Level Name/#*	2015 Appropriation Change	2016 Estimated Appropriation Change
2016 Multipurpose LTGO Bond Fund (36300)	FAS	A1PS1 Public Safety Facilities - Police	$1,500,000	$4,000,000
TOTAL			**$1,500,000**	**$0**

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

Appropriations Notes: This legislation increases appropriation in the 2016 Multipurpose LTGO Bond Fund in order to pay for 2015 capital costs to be incurred. The 2016 appropriation change will be requested in the 2016 budget.

3.b. Revenues/Reimbursements

____ **This legislation adds, changes, or deletes revenues or reimbursements.**

Anticipated Revenue/Reimbursement Resulting from this Legislation: None.

Fund Name and Number	Dept	Revenue Source	2015 Revenue	2016 Estimated Revenue
TOTAL				

Revenue/Reimbursement Notes: This legislation does not authorize new revenues. Through its passage, the authority to borrow from the City's Consolidated (Residual) Cash Pool will be authorized in the amount of $2.75 million, including $1.25 million to cover the project costs January through May 2016.

3.c. Positions

____ **This legislation adds, changes, or deletes positions.**

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of Seattle that are not reflected in the above?

This legislation authorizes FAS to borrow funds from the City's Consolidated (Residual) Cash Pool to meet cash flow requirements for the North Precinct project. The entire principal and interest amount of the loan authorized by this ordinance will be repaid by 2016 LTGO bond proceeds. This legislation does not authorize new revenues.

b) Is there financial cost or other impacts of not implementing the legislation?

The interfund loan provides interim bridge financing in advance of the 2016 LTGO bond issuances to support the North Precinct project costs. Without interim financing, the project will not be able to fulfill the requirements for implementation.

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

No. This legislation affects only FAS.

d) Is a public hearing required for this legislation?
No.

e) Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?

No.

f) Does this legislation affect a piece of property?

No.

g) Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?
No.

h) If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.

None.

i) Other Issues: None.

List attachments below: None.