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Stephen Barham/ns
SDOT AWV Waterfront Interfund Loan ORD
September 25, 2011
Version #12

ORDINANCE _____

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AN ORDINANCE relating to the Alaskan Way Viaduct and Seawall Replacement Program; authorizing the creation of a City fund; and authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the new fund.

WHEREAS, in 2001 the Nisqually earthquake damaged the Alaskan Way Viaduct and Seawall; and

WHEREAS, the Alaskan Way Viaduct and Seawall are at risk of sudden and catastrophic failure in an earthquake and are nearing the end of their useful lives; and

WHEREAS, in 2008 the State of Washington and The City of Seattle agreed to guiding principles for replacing the Alaskan Way Viaduct: improve public safety; provide efficient movement of people and goods now and in the future; maintain or improve downtown Seattle, regional, Port of Seattle and state economies; enhance Seattle's waterfront, downtown and adjacent neighborhoods as a place for people; create solutions that are fiscally responsible; and improve the health of the environment; and

WHEREAS, the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP) includes improvements to City streets, the waterfront, and the seawall; and

WHEREAS, Ordinance 123142 created the Central Waterfront Partnerships Committee, with the goal of fostering collaboration between a range of civic and community organizations to recommend models for the management, programming and use of new public spaces on the Central Waterfront, including building a broad coalition to shape the project's vision, organization and process to ensure that it is successfully completed; and

WHEREAS in 2010, the Department of Transportation conducted a preliminary feasibility analysis of special benefits for various program elements of the Alaskan Way Viaduct and Seawall Replacement Program which supports a potential range of special benefits for a future Local Improvement District; and

WHEREAS, in 2012, the Department of Transportation is expected to incur costs for improvements that could be financed by a future Local Improvement District; and

WHEREAS, a loan of \$2.4 million is required for 2012, and the Mayor and Council expect to revise this legislation in 2012 to increase the amount of that loan to accommodate future years' spending, once spending projections are further refined; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:



1 Section 1. A new Central Waterfront Improvement Fund, is created in the City Treasury,
2 to which revenues may be deposited, and from which associated expenditures may be paid
3 including, but not limited to, capital and City administration costs for the purposes described in
4 Section 2 below.
5

6 Section 2. The purpose of the City Fund authorized in Section 1 is to pay certain capital
7 costs related to the Alaskan Way Viaduct and Seawall Replacement Program, including costs
8 associated with the design and construction of the Central Waterfront component, costs for city
9 administration, and costs eligible for financing by a future Local Improvement District.
10

11 Section 3. The new City Fund shall receive all revenues including, but not limited to,
12 revenues from sponsorship agreements; federal, state, country or other grants or transfers; private
13 funding, donations or gifts; property sales proceeds and other monies as authorized by ordinance.
14 The Fund shall receive earnings on its positive balances and pay interest on its negative balances.
15

16 Section 4. The Director of Transportation shall have responsibility for administering the
17 Fund. The Director of Finance is authorized to create other Subfunds, Accounts, or Subaccounts
18 as may be needed to implement the Fund's purpose and intent as established by this ordinance.
19

20 Section 5. A loan of up to \$2,400,000 principal and interest outstanding at any one time
21 is authorized to be made from the City's Consolidated (Residual) Cash Pool, or its participating
22 funds, to the Central Waterfront Improvement Fund. The loan expires December 31, 2016, with
23 interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.
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1 Section 6. The entire principal and interest amount of the loan authorized by Section 5
2 owed by Central Waterfront Improvement Fund to the City's Consolidated (Residual) Cash Pool,
3 or its participating funds, shall be repaid.

4 Section 7. The Director of Finance may effectuate the loan authorized in Section 5 above
5 by transferring cash from one or more of the funds participating in the City's Consolidated
6 (Residual) Cash Pool to the Central Waterfront Improvement Fund, or by carrying the Central
7 Waterfront Improvement Fund in a negative cash position in an amount not to exceed
8 \$2,400,000, until no later than December 31, 2016. The Director of Finance is further authorized
9 to establish, and modify if necessary, from time to time, a repayment plan and schedule pursuant
10 to Seattle Municipal Code 5.06.030.

11 Section 8. This ordinance shall take effect and be in force 30 days after its approval by
12 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
13 shall take effect as provided by Seattle Municipal Code Section 1.04.020.
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1 Passed by the City Council the ____ day of _____, 2011, and signed by
2 me in open session in authentication of its passage this
3
4 ____ day of _____, 2011.

5 _____
6
7 President _____ of the City Council

8
9 Approved by me this ____ day of _____, 2011.

10
11 _____
12 Michael McGinn, Mayor

13
14 Filed by me this ____ day of _____, 2011.

15
16 _____
17 Monica Martinez Simmons, City Clerk

18 (Seal)



2012 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
Transportation	Bob Chandler / 684-7595	Stephen Barham / 733-9084

Legislation Title: AN ORDINANCE relating to the Alaskan Way Viaduct and Seawall Replacement Program; authorizing the creation of a City fund; and authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the new fund.

Summary of the Legislation:

This legislation creates the Central Waterfront Improvement Fund for certain costs related to the Alaskan Way Viaduct & Seawall Replacement Program and authorizes an interfund loan to the fund. The Central Waterfront Improvement Fund will support costs associated with the design and construction of the Central Waterfront component, costs for city administration, and costs eligible for financing by a future Local Improvement District (LID).

The interfund loan up to \$2.4 million will cover 2012 capital and future interest costs and is anticipated to be repaid with funds from the future LID, if formed. This legislation authorizes the Director of Finance to effectuate the loan by transferring cash from one or more of the funds participating in the City's Consolidated (Residual) Cash Pool to the Central Waterfront Improvement Fund, or by carrying the Central Waterfront Improvement Fund in a negative cash position until no later than December 31, 2016.

Background:

In 2010, the Department of Transportation conducted a preliminary feasibility analysis of special benefits for various program elements of the Alaskan Way Viaduct and Seawall Replacement Program (AWVSRP). The preliminary feasibility analysis indicated that the Central Waterfront component of the AWVSRP will provide a potential range of special benefits that could be included in a future local improvement district. The Central Waterfront component will incur costs for design activities in 2012, in advance of the formation of the Local Improvement District.

The 2012-2017 Adopted Capital Improvement Program includes \$225 million for the Central Waterfront Component from a future local improvement district. Updates to cost estimates and cash flow requirements for the project are expected in 2012. This legislation will support \$2 million of eligible capital costs, the anticipated amount needed in 2012, and interest costs. A loan of \$2.4 million is required for 2012, and the Mayor and Council expect to revise this legislation in 2012 to increase the amount of that loan to accommodate future years' spending, once spending projections are further refined.



The creation of a new fund will help provide transparency and clean documentation of costs and revenues prior to formation of the LID.

X **This legislation has financial implications.**

Summary of Changes to Revenue Generated Specifically from this Legislation:

	Revenue Source	2012 Proposed
Total Fees and Charges Resulting From Passage of This Ordinance		

(If new revenue is for a partial year, provide estimate for full year in the notes section below.)

Revenue Change Notes: This legislation does not change revenue.

Anticipated Total Revenue from Entire Program, Including Changes Resulting from this Legislation:

Fund Name and Number	Revenue Source	Total 2012 Revenue
TOTAL		

Total Revenue Notes: This legislation does not change revenue.

Other Implications:

- a) Does the legislation have indirect financial implications, or long-term implications?
 If a local improvement district is not formed for the purposes of this project, the City will need to repay the loan with other sources.
- b) What is the financial cost of not implementing this legislation?
 The City would likely incur higher borrowing costs if an interfund loan is not implemented.
- c) Does this legislation affect any departments besides the originating department? No.
- d) What are the possible alternatives to the legislation that could achieve the same or similar objectives?
 The City could issue bonds for these expenditures. However, bonds will have higher finance costs and would have less flexibility than an interfund loan.



Stephen Barham
SDOT AWV Waterfront Interfund Loan ORD
August 1, 2011
Version #3

e) Is the legislation subject to public hearing requirements? No.

f) Other Issues: None.

Please list attachments to the fiscal note below: None.





City of Seattle
Office of the Mayor

September 26, 2011

Honorable Richard Conlin
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill for consideration with the 2012 Proposed Budget. This legislation creates the Central Waterfront Improvement Fund for certain costs related to the Alaskan Way Viaduct and Seawall Replacement Program and authorizes an interfund loan to the fund. The fund will support costs associated with the design and construction of the Central Waterfront component, costs for city administration, and costs eligible for financing by a future Local Improvement District.

The interfund loan of \$2.4 million will cover planned 2012 capital and future interest costs and is anticipated to be repaid with funds from a future local improvement district. This legislation authorizes the Director of Finance to effectuate the loan by transferring cash from one or more of the funds participating in the City's Consolidated (Residual) Cash Pool to the Central Waterfront Improvement Fund, or by carrying the Central Waterfront Improvement Fund in a negative cash position until no later than December 31, 2016.

This legislation will enable the Seattle Department of Transportation to continue design work on the Waterfront component. The new fund will help provide transparency and clean documentation of costs and revenues prior to formation of the LID. Thank you for your consideration of this legislation. Should you have questions, please contact Bob Chandler at 684-7595.

Sincerely,

A handwritten signature in black ink, appearing to read "Michael McGinn".

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council