



1 Section 2. The new Subaccount shall receive contributions from Bluefield Holdings  
2 intended to provide funding for the City's maintenance of the habitats created by Bluefield  
3 Holdings on certain City-owned properties; and other monies as authorized by ordinance. The  
4 Subaccount shall receive earnings on its positive balances and pay interest on its negative  
5 balances.

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7 Section 3. The Director of the City Budget Office shall have responsibility for  
8 administering the Subaccount. The Director of Finance is authorized to create other Subfunds,  
9 Accounts, or Subaccounts as may be needed to implement the Subaccount's purpose and intent  
10 as established by this ordinance.

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12 Section 4. Subsection A of Section 5.80.020 of the Seattle Municipal Code, which  
13 section was last amended by Ordinance 123361, is amended to read as follows:

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15 **5.80.020 Structure of subfund**

16 The Cumulative Reserve Subfund shall be comprised of two accounts: the Capital Projects  
17 Account, with its several subaccounts, and the Revenue Stabilization Account.

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19 A. The Capital Projects Account shall be comprised of several subaccounts, including but not  
20 limited to the Real Estate Excise Tax I Subaccount; the Real Estate Excise Tax II Subaccount;  
21 the South Lake Union Property Proceeds Subaccount; the Asset Preservation Subaccount -  
22 General Facilities; the Bluefield Habitat Maintenance Subaccount; and the Unrestricted  
23 Subaccount. Expenditures from the Capital Projects Account shall require an ordinance adopted  
24 by a majority of the members of the City Council.  
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1 Section 5. Section 5.80.030 of the Seattle Municipal Code, last amended by  
2 Ordinance 123361, is amended by adding a new subsection as follows:

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4 **5.80.030 Capital projects subaccounts**

5 \* \* \*

6  
7 F. The Street Vacation Subaccount shall, unless provided otherwise by ordinance, be comprised  
8 of one-half of the revenue received by the City as compensation for any street or alley that is  
9 vacated. Expenditures shall be dedicated to the acquisition, improvement, and development of  
10 public open space or transportation capital projects.  
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12 G. The Bluefield Habitat Maintenance Subaccount shall, unless provided otherwise by  
13 ordinance, be comprised of contributions from Bluefield Holdings along with interest earnings  
14 on those contributions. Expenditures from the Bluefield Habitat Maintenance Subaccount shall  
15 be limited to expenses required to support the ongoing maintenance of the habitats created by  
16 Bluefield Holdings on certain City-owned properties, including the coordination of volunteer  
17 efforts, as authorized by Ordinance 122729.  
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1 Section 6. Section 5.06.030 of the Seattle Municipal Code, last amended by Ordinance 123361,  
2 is amended as follows:

3 **5.06.030 Fund investments -- Interfund loans**  
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5 The Director of Finance, after consulting with the Director of Finance and Administrative  
6 Services, the City Budget Director, and the Chair of the Finance and Budget Committee of the  
7 City Council, may in his or her discretion:  
8

9 A. Determine which funds shall be invested on an individual fund basis, and which funds shall  
10 participate within one or more common investment portfolio(s);  
11

12 B. Apportion earnings and losses to those funds participating in a common investment portfolio.  
13 Trust and bond funds that are approved solely by the Director of Finance, and other funds  
14 approved by the Director of Finance after consulting with the Chair of the Finance and Budget  
15 Committee of the City Council, with the Director of Finance and Administrative Services, and  
16 with the City Budget Director, shall receive a return in proportion to the amount of money  
17 earned by each; and the remainder shall be allocated to the general fund, except that investment  
18 earnings attributable to the Capital Projects Account of the Cumulative Reserve Subfund shall be  
19 deposited in the Unrestricted Subaccount, ~~the~~(and) South Lake Union Property Proceeds  
20 Subaccount, and the Bluefield Habitat Maintenance Subaccount within that Capital Projects  
21 Account, all as authorized by RCW 35.39.034 and Chapter 5.80;  
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25 \* \* \*  
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1 Section 7. Section 5.76 of the Seattle Municipal Code, last amended by Ordinance  
2 122559, is amended as follows:

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4 **5.76 Table of Investments**

5 The following table provides the Code user with a list of funds established by The City of Seattle  
6 and the numbers of the ordinances creating and amending those funds. When the text of an  
7 ordinance has been codified, the applicable section or chapter number appears in parentheses  
8 following the name of the fund.  
9

10  
11 Fund Ord. No.

12 \* \* \*

13  
14 General Fund....106960

15 Cumulative Reserve Subfund....81301, 116497, 117256, 117977, 119761, 120411,  
16  
17 121642, 121661, 122557, 123361

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19 Capital Projects Account....116497, 117977, 119761, 120411, 121642,  
20  
21 121661, 123361

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23 ((Major Maintenance Reserve Account....116497, 117256, 117977))

24  
25 Real Estate Excise Tax I Subaccount....116497, 117977, 119761  
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Real Estate Excise Tax II Subaccount....116497, 117977, 119761

Unrestricted Subaccount....116497, 117977, 119761

South Lake Union Property Proceeds Subaccount....120411

Asset Preservation Subaccount – General Facilities....121642

Street Vacation Subaccount....121661

Bluefield Habitat Maintenance Subaccount....[the Ordinance  
introduced as C.B. 117336.]

Revenue Stabilization Account....116497, 117256, 119761, 122557

\* \* \*

Section 8. Recognizing that the City has already received funds from Bluefield Holdings in 2011, these funds will be deposited in the new subaccount upon its creation by City Council.

Section 9. Any act consistent with the authority of this ordinance taken prior to its effective date is hereby ratified and confirmed.

1 Section 10. This ordinance shall take effect and be in force 30 days after its approval by  
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it  
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the \_\_\_\_ day of \_\_\_\_\_, 2011, and  
5 signed by me in open session in authentication of its passage this  
6 \_\_\_\_ day of \_\_\_\_\_, 2011.

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8  
9 \_\_\_\_\_  
10 President \_\_\_\_\_ of the City Council

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12 Approved by me this \_\_\_\_ day of \_\_\_\_\_, 2011.

13  
14 \_\_\_\_\_  
15 Michael McGinn, Mayor

16  
17 Filed by me this \_\_\_\_ day of \_\_\_\_\_, 2011.

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19 \_\_\_\_\_  
20 Monica Martinez Simmons, City Clerk

21 (Seal)  
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**FISCAL NOTE FOR NON-CAPITAL PROJECTS**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
City Budget Office	Karen Grove/684-5805	Karen Grove/684-5805

**Legislation Title:**

AN ORDINANCE relating to the administration of The City of Seattle's agreement with Bluefield Holdings; creating a new subaccount in the Cumulative Reserve Subfund; amending Sections 5.06.030, 5.76, 5.80.020, and 5.80.030 of the Seattle Municipal Code, and ratifying and confirming certain prior acts.

**Summary of the Legislation:**

This legislation would establish a new fund in which contributions from Bluefield Holdings (Bluefield) will be deposited, interest will be earned, and money appropriated, to support the ongoing maintenance of habitat constructed by Bluefield on City-owned properties along the Duwamish. Because no City expenditures will be required for roughly ten years, no appropriation authority is requested in this legislation.

**Background:**

Pursuant to Council Ordinance 122729, Bluefield is constructing habitat on certain City parcels along the Duwamish River. Bluefield will lease the land from the City for ten years, and maintain the habitat the organization installs, also for a ten year period.

Ordinance 122729 and its attached master lease require Bluefield to provide funding to allow the City to establish a long-term maintenance fund for use by the City in maintaining the properties after Bluefield vacates its various leases. The City of Seattle entered into a covenant with the Natural Resource Trustees, authorized by Ordinance 123569, to ensure the preservation of the developed habitat, or an acceptable substitute.

The creation of a fund dedicated to this single purpose will facilitate financial monitoring and oversight, and help ensure that Bluefield's contributions are available for the maintenance of these habitats over several decades.

In March 2011, the City and Bluefield entered into an agreement regarding long-term maintenance payments, with an initial payment of \$103,000 to be made in June 2011.

The initial \$103,000 payment from Bluefield was received by the City in June, 2011, associated with "Site 1", a Seattle Department of Transportation (SDOT) right of way along Spokane Street on the west side of West Waterway. Total maintenance payments for "Site 1" will be \$203,000 as described further below.



**X This legislation has financial implications.**

**Anticipated Revenue/Reimbursement Resulting from this Legislation:**

<b>Fund Name and Number</b>	<b>Department</b>	<b>Revenue Source</b>	<b>2011 Revenue</b>	<b>2012 Revenue</b>
New: Bluefield Habitat Maintenance Fund (Fund 00178)	City Budget Office	Contributions from Bluefield Holdings	\$103,000	\$100,000
New: Bluefield Habitat Maintenance Fund (Fund 00178)	City Budget Office	Interest Earnings	\$380	\$1,000
<b>TOTAL</b>			<b>\$103,380</b>	<b>\$101,000</b>

**Revenue/Reimbursement Notes:**

The City's Agreement Re Long Term Maintenance Payment with Bluefield, signed by both parties on March 29, 2011, in regards to the habitat project located on SDOT right of way at the west side of the West Waterway, under and adjacent to the Spokane Street Bridge, at approximate Duwamish River mile 0.5, and known as Site 1, commits Bluefield to contributions for Site 1 in the amount of \$203,000. An initial payment of \$103,000 was made in June 2011, with subsequent quarterly payments of \$25,000 per quarter required according to the following schedule: March 31, 2012; July 30, 2012; September 30, 2012; December 31, 2012. An 0.75% interest rate is assumed in the display above, roughly consistent with the current earnings on the City's cash pool.

While additional agreements with Bluefield regarding additional City properties are expected, at this time no further agreement has been concluded.

**Other Implications:**

- a) **Does the legislation have indirect financial implications, or long-term implications?**  
 The Bluefield Master Lease requires Bluefield to maintain the habitat during an applicable term (ten years) and provide the City with funds for continued maintenance after the term expires. Therefore, no appropriations will be requested from this fund for a period of roughly ten years. However, under the agreement between the City and Bluefield, the fund is receiving revenues beginning in 2011 for "Site 1", an SDOT right of way along Spokane Street on the west side of West Waterway of the Duwamish River. The City will earn interest on these funds. There are no position impacts from this legislation.
  
- b) **What is the financial cost of not implementing the legislation?**  
 While there is no immediate financial cost of not creating a new barrier fund, the barrier fund will help with fiscal monitoring and oversight of these funds in the years to come.



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

Yes. It is anticipated that the City will consider entering into agreements with Bluefield to construct habitat on rights of way owned by Seattle City Light, the Seattle Department of Transportation, and the Department of Parks and Recreation.

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

Long term maintenance payments from Bluefield could be deposited into different, existing departmental funds. However, it is recommended that the money be put into a Citywide fund created solely for this purpose, to facilitate monitoring and tracking.

**e) Is a public hearing required for this legislation?**

No.

**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:**

This legislation provides financial tools to help implement the City's commitments expressed in Ordinances 122729 and 123569.

**List attachments to the fiscal note below:**

None.





City of Seattle  
Office of the Mayor

November 8, 2011

Honorable Richard Conlin  
President  
Seattle City Council  
City Hall, 2<sup>nd</sup> Floor

Dear Council President Conlin:

I am pleased to transmit the attached proposed Council Bill that creates a barrier fund to facilitate oversight of contributions from Bluefield Holdings to the City of Seattle and associated City expenses.

Pursuant to Council Ordinance 122729 and its attached master lease, Bluefield Holdings is constructing habitat on certain City parcels along the Duwamish. Under this agreement, Bluefield Holdings will lease the land from the City for ten years and maintain the habitat during that time. Bluefield Holdings is also required to provide funding to the City of Seattle for creation of a long-term maintenance fund. The first payment from Bluefield was received by the City of Seattle in June, 2011.

The City will use this funding to maintain the habitat created by Bluefield Holdings after Bluefield Holdings vacates the various leases. The City is required to maintain the habitat by the City's covenant with the National Oceanic and Atmospheric Administration (NOAA) on behalf of the Elliott Bay Trustee Council.

The creation of a fund dedicated to this purpose will facilitate financial monitoring and oversight, and help ensure that Bluefield's contributions are available for the maintenance of these habitats over several decades. Thank you for your consideration of this legislation. Should you have questions, please contact Karen Grove at 684-5805.

Sincerely,

Michael McGinn  
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

