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2 **CITY OF SEATTLE**  
3 **ORDINANCE \_\_\_\_\_**  
4 **COUNCIL BILL \_\_\_\_\_**

5 AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the  
6 issuance and sale of limited tax general obligation bonds to pay all or part of the cost of  
7 financing elements of the City’s capital improvement program, issuing and selling the  
8 bonds, and other City purposes approved by ordinance; providing for terms and sale of  
9 the bonds; creating a bond fund; and ratifying and confirming certain prior acts.

10 WHEREAS, The City of Seattle, Washington (the “City”), has determined that it is in its best  
11 interest that certain capital improvement program projects hereafter identified, be  
12 financed by the issuance of limited tax general obligation bonds of the City in principal  
13 amount not to exceed \$85 million; and

14 WHEREAS, RCW 39.36.020 authorizes the City to incur indebtedness without assent of the  
15 voters of the City so long as such indebtedness does not result in a total nonvoted  
16 indebtedness of the City in excess of 1.5% of the value of taxable property within the  
17 City as computed in accordance with RCW 39.36.030; and

18 WHEREAS, the City from time to time will receive, review, and adopt a plan to refund selected  
19 maturities of its limited tax general obligation bonds consistent with Ordinance 121651,  
20 which states that selected maturities, including maturities of the bonds authorized in this  
21 ordinance, will be identified in a Bond Resolution (hereinafter defined); NOW,  
22 THEREFORE,

23 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

24 **Section 1. Definitions.** As used in this ordinance, the following capitalized terms shall  
25 have the following meanings.

26 “**Authorized Denomination**” means \$5,000 or any integral multiple thereof within a  
27 maturity.

28 “**Beneficial Owner**” means the owner of any beneficial interests in the Bonds.

“**Bond Counsel**” means a lawyer or a firm of lawyers, selected by the City, of nationally  
recognized standing in matters pertaining to bonds issued by states and their political  
subdivisions.



1           **“Letter of Representations”** means the Blanket Issuer Letter of Representations  
2 between the City and DTC dated October 4, 2006, as it may be amended from time to time, or an  
3 agreement with a substitute or successor Securities Depository.

4           **“Projects”** means items identified in Exhibit A, attached hereto and by this reference  
5 made a part hereof, and other projects authorized by ordinance.

6           **“Record Date”** means, in the case of each interest or principal payment or redemption  
7 date, the Bond Registrar’s close of business on the 15th day of the month preceding the interest  
8 or principal payment or redemption date.

9           **“Registered Owner”** means the person shown on the Bond Register as the owner of one  
10 or more Bonds.

11           **“Registration Ordinance”** means City Ordinance 111724 establishing a system of  
12 registration for the City’s bonds and other obligations pursuant to Seattle Municipal Code  
13 Chapter 5.10, as that chapter now exists or may hereafter be amended.

14           **“Securities Depository”** means DTC, any successor thereto, any substitute securities  
15 depository selected by the City, or the nominee of any of the foregoing. Any successor or  
16 substitute Securities Depository must be qualified under applicable laws and regulations to  
17 provide the services proposed to be provided by it.

18           **“Tax Credit Subsidy Bond”** means any bond that is designated by the City as a tax  
19 credit bond pursuant to the Code, and which is further designated as a “qualified bond” under  
20 Section 6431 or similar provision of the Code, and with respect to which the City is eligible to  
21 receive a tax credit subsidy payment.

22           **“Tax Credit Subsidy Payment”** means a payment by the federal government with  
23 respect to a Tax Credit Subsidy Bond.

24           **“Tax-Exempt Bonds”** means Bonds of any series, the interest on which is intended on  
25 the date of issuance to be excluded from gross income for federal income tax purposes.  
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1 its officers or directors to act as members of, or in any other capacity with respect to, any  
2 committee formed to protect the rights of Beneficial Owners.

3 Bonds surrendered to the Bond Registrar may be exchanged for Bonds in any Authorized  
4 Denomination of an equal aggregate principal amount and of the same interest rate and maturity.  
5 Bonds may be transferred only if endorsed in the manner provided thereon and surrendered to  
6 the Bond Registrar. Any exchange or transfer shall be without cost to the owner or transferee.  
7 The Bond Registrar shall not be obligated to exchange or transfer any Bond during the 15 days  
8 preceding any principal payment or redemption date.

9 (c) Securities Depository; Book-Entry Form. The Bonds initially shall be registered  
10 in the name of Cede & Co., as the nominee of the Securities Depository. The Bonds so registered  
11 shall be held fully immobilized in book-entry form by the Securities Depository in accordance  
12 with the provisions of the Letter of Representations. Neither the City nor the Bond Registrar  
13 shall have any responsibility or obligation to participants of the Securities Depository or the  
14 persons for whom they act as nominees with respect to the Bonds regarding accuracy of any  
15 records maintained by the Securities Depository or its participants of any amount in respect of  
16 principal of or interest on the Bonds, or any notice which is permitted or required to be given to  
17 Registered Owners and/or Beneficial Owners hereunder (except such notice as is required to be  
18 given by the Bond Registrar to the Securities Depository).

19 For as long as any Bonds are held in book-entry form, the Securities Depository shall be  
20 deemed to be the Registered Owner for all purposes hereunder and all references to registered  
21 owners, bondowners, bondholders or the like shall mean the Securities Depository and, except  
22 for purposes of the City's undertaking to provide continuing disclosure, shall not mean the  
23 Beneficial Owners. Registered ownership of such Bonds, or any portions thereof, may not  
24 thereafter be transferred except: (i) to any successor Securities Depository; (ii) to any substitute  
25 Securities Depository appointed by the City or such substitute Securities Depository's successor;  
26 or (iii) to any person if the Bonds are no longer held in book-entry form.





1 the Bond Resolution or as the Bond Registrar shall determine) at par plus accrued interest on the  
2 dates and in the years and principal amounts as set forth in the Bond Resolution.

3 If the City redeems Term Bonds under the optional redemption provisions set forth in the  
4 Bond Resolution or purchases Term Bonds as set forth below, the Term Bonds so redeemed or  
5 purchased (irrespective of their redemption or purchase prices) shall, unless provided for  
6 otherwise in the Bond Resolution, be credited at the par amount thereof against the remaining  
7 mandatory redemption requirements in a manner to be determined by the Director of Finance or,  
8 if no such determination is made, on a pro-rata basis.

9 (c) **Partial Redemption.** Whenever less than all of the Bonds of a single maturity of  
10 a series are to be redeemed, the Bond Registrar shall select the Bonds or portions thereof to be  
11 redeemed from the Bonds of that maturity randomly, or in such other manner as set forth in the  
12 Bond Resolution or as the Bond Registrar shall determine, except that, for so long as the Bonds  
13 are registered in the name of the Securities Depository or its nominee, the Securities Depository  
14 shall select the Bonds or portions thereof to be redeemed in accordance with the relevant Letter  
15 of Representations.

16 Portions of the principal amount of any Bond, in Authorized Denominations, may be  
17 redeemed, unless otherwise provided in the Bond Resolution. If less than all of the principal  
18 amount of any Bond is redeemed, upon surrender of that Bond at the principal office of the Bond  
19 Registrar, there shall be issued to the Registered Owner, without charge therefor, a new Bond (or  
20 Bonds, at the option of the Registered Owner) of the same series, maturity, and interest rate in  
21 any of the denominations authorized by the Bond Resolution in the aggregate total principal  
22 amount remaining unredeemed.

23 (d) **Purchase.** The City reserves the right and option to purchase any or all of the  
24 Bonds at any time at any price acceptable to the City plus accrued interest to the date of  
25 purchase.

1           (e)     **Bonds to be Canceled.** All Bonds purchased or redeemed under this Section  
2 shall be canceled.

3           **Section 8. Notice of Redemption.** The City shall cause notice of any intended  
4 redemption of Bonds to be given not less than 20 nor more than 60 days prior to the date fixed  
5 for redemption by first-class mail, postage prepaid, to the Registered Owner of any Bond to be  
6 redeemed at the address appearing on the Bond Register at the time the Bond Registrar prepares  
7 the notice, and the requirements of this sentence shall be deemed to have been fulfilled when  
8 notice has been mailed as so provided, whether or not it is actually received by the Registered  
9 Owner of any Bond. Interest on Bonds called for redemption shall cease to accrue on the date  
10 fixed for redemption unless the Bond or Bonds called are not redeemed when presented pursuant  
11 to the call.

12           In the case of an optional redemption, the notice may state that the City retains the right  
13 to rescind the redemption notice and the related optional redemption of Bonds by giving a notice  
14 of rescission to the affected registered owners at any time prior to the scheduled optional  
15 redemption date. Any notice of optional redemption that is so rescinded shall be of no effect,  
16 and the Bonds for which the notice of optional redemption has been rescinded shall remain  
17 outstanding.

18           **Section 9. Failure to Pay Bonds.** If any Bond is not paid when properly presented at its  
19 maturity or call date, the City shall be obligated to pay interest on that Bond at the same rate  
20 provided in that Bond from and after its maturity or call date until that Bond, principal, premium,  
21 if any, and interest, is paid in full or until sufficient money for its payment in full is on deposit in  
22 the Bond Fund and that Bond has been called for payment by giving notice of that call to the  
23 Registered Owner of that Bond.

24           **Section 10. Form and Execution of Bonds.** The Bonds shall be typed, printed, or  
25 reproduced in a form consistent with the provisions of this ordinance, the Bond Resolution, and  
26 State law; shall be signed by the Mayor and Director of Finance, either or both of whose  
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1 signatures may be manual or in facsimile; and the seal of the City or a facsimile reproduction  
2 thereof shall be impressed or printed thereon.

3 Only Bonds bearing a Certificate of Authentication in substantially the following form  
4 (with the designation, year, and series of the Bonds adjusted consistent with this ordinance),  
5 manually signed by the Bond Registrar, shall be valid or obligatory for any purpose or entitled to  
6 the benefits of this ordinance:

7 CERTIFICATE OF AUTHENTICATION

8 This Bond is one of the fully registered The City of Seattle, Washington, Limited Tax  
9 General Obligation Bonds, [Year] [Series], described in the Bond Ordinance.

10 BOND REGISTRAR

11 By \_\_\_\_\_  
12 Authorized Signer

13 The authorized signing of a Certificate of Authentication shall be conclusive evidence  
14 that the Bond so authenticated has been duly executed, authenticated, and delivered and is  
15 entitled to the benefits of this ordinance.

16 If any officer whose facsimile signature appears on a Bond ceases to be an officer of the  
17 City authorized to sign bonds before the Bond bearing his or her manual or facsimile signature is  
18 authenticated or delivered by the Bond Registrar or issued by the City, that Bond nevertheless  
19 may be authenticated, delivered, and issued and, when authenticated, issued, and delivered, shall  
20 be as binding on the City as though that person had continued to be an officer of the City  
21 authorized to sign bonds. Any Bond also may be signed on behalf of the City by any person  
22 who, on the actual date of signing of the Bond, is an officer of the City authorized to sign bonds,  
23 although he or she did not hold the required office on the date of issuance of the Bonds.

24 **Section 11. Pledge of Taxes.** For so long as any of the Bonds are outstanding, the City  
25 irrevocably pledges to include in its budget and levy taxes annually within the constitutional and  
26 statutory tax limitations provided by law without a vote of the electors of the City on all of the  
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1 taxable property within the City in an amount sufficient, together with other money legally  
2 available and to be used therefor, to pay when due the principal of and interest on the Bonds, and  
3 the full faith, credit, and resources of the City are pledged irrevocably for the annual levy and  
4 collection of those taxes and the prompt payment of that principal and interest.

5 **Section 12. Preservation of Tax Exemption for Interest on Tax-Exempt Bonds.** The  
6 City covenants that it will take all actions, consistent with the terms of the Tax-Exempt Bonds,  
7 this ordinance, and the Bond Resolution, reasonably within its power and necessary to prevent  
8 interest on the Tax-Exempt Bonds from being included in gross income for federal income tax  
9 purposes, and the City will neither take any action nor make or permit any use of proceeds of the  
10 Tax-Exempt Bonds or other funds of the City treated as gross proceeds of the Tax-Exempt  
11 Bonds at any time during the term of the Tax-Exempt Bonds which will cause interest on the  
12 Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

13 **Section 13. Continuing Disclosure.** The City shall undertake to provide certain annual  
14 financial information and operating data of the type included in the final official statement for  
15 those Bonds, as well as disclosure of certain material events respecting the Bonds, in the manner  
16 and to the extent required by United States Securities and Exchange Commission  
17 Rule 15c2-12(b)(5). The particular terms of any such undertaking shall be set forth in the Bond  
18 Resolution.

19 **Section 14. Refunding or Defeasance of the Bonds.** The Bonds are hereby designated  
20 “Refundable Bonds” for purposes of Ordinance 121651. The City may issue refunding bonds  
21 pursuant to the laws of the State or use money available from any other lawful source to pay  
22 when due the principal of, premium, if any, and interest on the Bonds, or portion thereof  
23 included in a refunding or defeasance plan, and to redeem and retire, release, refund, or defease  
24 those Bonds (the “defeased Bonds”) and to pay the costs of such refunding or defeasance. If  
25 money and/or government obligations (as that term is defined in RCW 39.53.010, as it now  
26 exists or may hereafter be amended) maturing at a time or times and in an amount sufficient,  
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1 together with known earned income from the investment thereof, to redeem and retire, release,  
2 refund, or defease the defeased Bonds in accordance with their terms, are set aside in a special  
3 trust fund or escrow account irrevocably pledged to such redemption, retirement, or defeasance  
4 (the “trust account”), then all right and interest of the owners of the defeased Bonds in the  
5 covenants of this ordinance and in the net Revenue and the funds and accounts pledged to the  
6 payment of such defeased Bonds, other than the right to receive the funds so set aside and  
7 pledged, thereafter shall cease and become void. Such owners thereafter shall have the right to  
8 receive payment of the principal of and interest or redemption price on the defeased Bonds from  
9 the trust account. The City shall include in the refunding or defeasance plan such provisions as  
10 the City deems necessary for the random selection of any defeased Bonds that constitute less  
11 than all of a particular maturity of the Bonds, for notice of the defeasance to be given to the  
12 Registered Owners of the defeased Bonds, and to such other persons as the City shall determine,  
13 and for any required replacement of Bond certificates for defeased Bonds.

14 After the establishing and full funding of such a trust account, the defeased Bonds shall  
15 be deemed as no longer outstanding, and the City then may apply any money in any other fund  
16 or account established for the payment or redemption of the defeased Bonds to any lawful  
17 purposes as it shall determine.

18 **Section 15. Sale of Bonds.** The Director of Finance may provide for the sale of each  
19 series of the Bonds (or any portion thereof) by public sale or by a negotiated sale with an  
20 underwriter or other financial institution chosen through a selection process acceptable to the  
21 Director of Finance. The Director of Finance is authorized to specify a date and time of sale of  
22 the Bonds, to give notice of that sale, to determine any bid requirements and criteria for  
23 determining the award of the bid, to provide for the use of an electronic bidding mechanism, and  
24 to specify other matters in his or her determination necessary, appropriate, or desirable to carry  
25 out the sale of the Bonds. The terms of that sale shall be consistent with this ordinance and the  
26 Bond Resolution and shall be confirmed by the Bond Resolution. The Bonds shall be delivered  
27

1 to the purchasers as provided in the Bond Resolution immediately upon payment to the City of  
2 the purchase price plus accrued interest, if any, to the date of closing in immediately available  
3 federal funds in Seattle, Washington, at the City's expense or at another time or place upon  
4 which the Director of Finance and the purchaser may mutually agree at the purchaser's expense.

5 If a series of Bonds is sold and issued as Tax Credit Subsidy Bonds, the Director of  
6 Finance is hereby authorized on behalf of the City to take such actions as are necessary or  
7 appropriate for the City to receive from the United States Treasury the applicable federal credit  
8 payments in respect of such Bonds.

9 CUSIP numbers will be printed on the Bonds, unless they are not required by the  
10 purchasers, but neither failure to print CUSIP numbers on any Bond nor error with respect  
11 thereto shall constitute cause for a failure or refusal by the purchasers to accept delivery of and  
12 pay for the Bonds in accordance with the purchase offer. All expenses in relation to the printing  
13 of CUSIP numbers on the Bonds shall be paid by the City, but the fee of the CUSIP Service  
14 Bureau for the assignment of those numbers shall be the responsibility of and shall be paid by the  
15 purchasers.

16 The City will cause the Bonds to be prepared and executed in accordance with the  
17 provisions of this ordinance, the Bond Resolution, and State law, and will obtain the approving  
18 legal opinion of Bond Counsel.

19 **Section 16. Deposit and Use of Proceeds.** Unless provided otherwise in the Bond  
20 Resolution, the principal proceeds and premium, if any, received from the sale and delivery of  
21 the Bonds shall be paid into or allocated to the 2013 Multipurpose LTGO Bond Fund, which is  
22 hereby created in the City Treasury, or in such other funds, accounts, or subaccounts of the City  
23 Treasury as the Director of Finance may designate, and used to pay all or part of the costs of the  
24 Projects and for other City purposes approved by ordinance. The Director of Finance may use  
25 the principal proceeds and any premium to pay for costs of issuance and selling the Bonds, and  
26 the Director of Finance also may incur and account for non-cash costs of issuance that are not  
27

1 included as part of the bond proceeds and premium, including but not limited to any underwriters  
2 discount.

3         The Director of Finance may (i) establish and transfer proceeds of the Bonds among  
4 funds, accounts, or subaccounts in the City Treasury, or (ii) make interfund loans pursuant to  
5 Seattle Municipal Code Section 5.06.030 to or from other City accounts or funds, all on terms he  
6 or she may deem necessary, appropriate, or desirable to carry out the purposes of this ordinance  
7 and consistent with the Bond Resolution. Enactment of this ordinance authorizes the transfer of  
8 amounts from the 2013 Multipurpose LTGO Bond Fund to other funds in order to carry out the  
9 purposes of this ordinance.

10         There previously has been created and established in the City Treasury the Bond Fund.  
11 Accrued interest on the Bonds received from the sale and delivery of the Bonds, if any, together  
12 with any net premium received from the sale and delivery of the Bonds that is not necessary to  
13 pay the costs of the Projects or costs of issuance and sale of the Bonds, shall be paid or allocated  
14 into the Bond Fund prior to the first debt service payment date with respect to those Bonds.  
15 Until needed to pay the costs described herein, the City may invest principal proceeds of the  
16 Bonds temporarily in any authorized investment, and the investment earnings shall be deposited  
17 in such funds and accounts as may be designated by the Director of Finance. Earnings subject to  
18 a federal tax or rebate requirement may be withdrawn from any such fund or account and used  
19 for those tax or rebate purposes.

20         The Director of Finance may pay principal of and interest on the Bonds with any  
21 proceeds of Bonds (including interest earnings thereon) remaining after paying the costs of the  
22 Projects, costs of issuing and selling the Bonds, and for the other purposes set forth in this  
23 section or otherwise approved by ordinance, or after the City Council has determined that the  
24 expenditure of such Bond proceeds and premium for those purposes is no longer necessary or  
25 appropriate.



1 All taxes allocated to the payment of the principal of and interest on the Bonds shall be  
2 deposited in the Bond Fund.

3 **Section 17. General Authorization.** The Mayor and the Director of Finance and each  
4 of the other appropriate officers of the City are each authorized and directed to do everything as  
5 in their judgment may be necessary, appropriate, or desirable in order to carry out the terms and  
6 provisions of, and complete the transactions contemplated by, this ordinance. In particular, and  
7 without limitation, the Director of Finance may, in his or her discretion and without further  
8 action by the City Council, (i) issue requests for proposals for underwriting or financing facilities  
9 and execute engagement letters with underwriters, bond insurers or other financial institutions  
10 based on responses to such requests, (ii) deem final and approve the distribution of any  
11 preliminary official statement or official statement relating to the Bonds, (iii) comply with any  
12 continuing disclosure requirements applicable to the Bonds, and (iv) change the Bond Registrar  
13 or Securities Depository for the Bonds.

14 **Section 18. Severability.** The provisions of this ordinance are declared to be separate  
15 and severable. If a court of competent jurisdiction, all appeals having been exhausted or all  
16 appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as  
17 to any person or circumstance, such offending provision shall, if feasible, be deemed to be  
18 modified to be within the limits of enforceability or validity. However, if the offending  
19 provision cannot be so modified, it shall be null and void with respect to the particular person or  
20 circumstance, and all other provisions of this ordinance in all other respects, and the offending  
21 provision with respect to all other persons and all other circumstances, shall remain valid and  
22 enforceable.

23 **Section 19. Ratification of Prior Acts.** Any action taken consistent with the authority  
24 of this ordinance, after its passage but prior to the effective date, is ratified, approved, and  
25 confirmed.



**EXHIBIT A**  
**DESCRIPTION OF PROJECTS\***

Description	Approximate Principal Amount
Bridge Seismic (BTG)	6,928,043
Mercer West (CPT)	11,173,000
South Park Bridge	10,000,000
Seawall (CPT)	6,200,000
Golf	7,370,846
Rainier Beach Community Center	6,600,000
Magnuson Park Building 30	5,215,000
Fire Facilities	12,726,000
B&O IT	7,632,000
Financial IT Upgrades	5,886,000
Data Center	2,625,000
Issuance Costs and Pricing Adjustments	2,470,677
<b>Total</b>	<b>\$84,826,566</b>

\*Includes issuance costs and pricing adjustments.

**2013 BUDGET LEGISLATION FISCAL NOTE**

<b>Department:</b>	<b>Contact Person/Phone:</b>	<b>CBO Analyst/Phone:</b>
FAS	Michael Van Dyck 4-8347	Hall Walker 3-7065

**Legislation Title:**

AN ORDINANCE relating to contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay all or part of the cost of financing elements of the City’s capital improvement program, issuing and selling the bonds, and other City purposes approved by ordinance; providing for terms and sale of the bonds; creating a bond fund; and ratifying and confirming certain prior acts.

**Summary of the Legislation:**

This legislation provides the legal authorization to issue up to \$85 million of Limited Tax General Obligation (LTGO) bonds for a variety of purposes.

**Background:**

The City’s Capital Improvement Program (CIP) identifies debt financing for certain projects and the City’s budget appropriates the associated debt service. The table below lists the projects to be financed by the proceeds of 2013 LTGO bonds. Please see the City’s Budget and CIP for information about these projects. Total debt service is expected to be about \$2.7 million in 2013 and \$8.7 million in 2014.

Project	Capital Cost	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service Proposed 2013	Debt Service Estimated 2014	Debt Service Funding Source
Bridge Seismic (BTG)	6,928	7,136	20	4.5%	241	549	SDOT (BTG) (2)
Mercer West (CPT)	11,173	11,508	20	4.5%	388	885	SDOT (CPT) (3)
South Park Bridge	10,000	10,300	20	4.5%	348	792	GF
Seawall (CPT)	6,200	6,386	20	4.5%	216	491	SDOT (CPT) (3)
Golf	7,371	7,592	20	4.5%	256	584	DPR
Rainier Beach Community Center	6,600	6,798	20	4.5%	229	523	GF
Magnuson 30	5,215	5,371	12	3.5%	141	556	DPR
Fire Facilities (1 of 5)	12,726	13,108	20	4.5%	442	1,008	REET I
B&O IT	7,632	7,861	5	3.0%	177	1,716	GF (4)
Financial IT Upgrades (1 of 3)	5,886	6,063	5	3.0%	136	1,324	FAS
Data Center (1 of 3)	2,625	2,704	15	4.5%	91	252	DoIT
<b>Total</b>	<b>82,356</b>	<b>84,827</b>			<b>2,666</b>	<b>8,678</b>	

- (1) Includes 3% for costs of issuance and pricing adjustments.
- (2) Proceeds from Bridging the Gap - Commercial Parking Tax receipts.
- (3) Proceeds from Commercial Parking Taxes.
- (4) Shared GF and other cities.

Please check one of the following:

**\_\_\_\_\_ This legislation does not have any financial implications.**

(Please skip to the "Other Implications" Section at the end of the document and answer questions a-f. Delete sections that are left blank and the instructions provided in parentheses at the end of each question.)

**X This legislation has financial implications.** (If the legislation has direct fiscal impacts (e.g., appropriations, revenue, positions), fill out the relevant sections below. If the financial implications are indirect or longer-term, describe them in narrative in the "Other Implications" Section. Delete the instructions provided in parentheses at the end of each title and question.)

**Other Implications:**

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

The City will be obligated to pay annual debt service on these bonds through their term.

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

Financing these projects from cash would require very large cuts in operating programs. Since most of the debt-financed capital improvements have a long useful life and interest rates are currently low, it is more practical to spread the costs of these improvements over current and future beneficiaries by issuing bonds.

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

This legislation affects FAS, SDOT, and DPR.

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

There are no viable alternatives for most of the large capital projects. Cash financing of these projects would require very large operating budget cuts.

- e) Is the legislation subject to public hearing requirements? None

- f) Other Issues: None

Please list attachments to the fiscal note below: