Christine Patterson/Norm Schwab
SDOT Central Waterfront Improvement Fund ORD
October 9, 2012
Version #1b

#21

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117616

AN ORDINANCE relating to the financing of the Alaskan Way Viaduct and Seawall Replacement Program; amending Ordinance 123761 to increase the amount of an interfund loan.

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, 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, a loan of $2.4 million was authorized in 2012 by Ordinance 123761, and the Mayor and Council anticipated revising the legislation to increase the amount of that loan to accommodate future years' spending; and

WHEREAS, in 2013, the Department of Transportation is expected to incur additional costs for improvements that could be financed by a future Local Improvement District; and

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WHEREAS, an additional $11.3 million of principal and interest costs have been identified for 2013 which require an increase of the interfund loan from $2.4 million to $13.7 million; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 5 of Ordinance 123761 is hereby amended as follows:

Section 5. A loan of up to ((~~$2,400,000~~))$13,700,000 of principal and interest outstanding at any one time is authorized to be made from the City's Consolidated (Residual) Cash Pool, or its participating funds, to the Central Waterfront Improvement Fund. The loan expires December 31, 2016, with interest on the loan at the rate of return of the City's Consolidated (Residual) Cash Pool.

Section 2. Section 7 of Ordinance 123761 is hereby amended as follows:

Section 7. The Director of Finance may effectuate the loan authorized in Section 5 above 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 in an amount not to exceed ((~~$2,400,000~~))$13,700,000, until no later than December 31, 2016. The Director of Finance is further authorized to establish, and modify if necessary, from time to time, a repayment plan and schedule pursuant to Seattle Municipal Code 5.06.030.

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

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Passed by the City Council the ____ day of _____, 2012, and signed by me in open session in authentication of its passage this _____ day of _____, 2012.

_____

President _____of the City Council

Approved by me this ____ day of _____, 2012.

_____

Michael McGinn, Mayor

Filed by me this ____ day of _____, 2012.

_____

Monica Martinez Simmons, City Clerk

(Seal)

COUNCIL CLERK

Form revised: December 6, 2011

2013 BUDGET LEGISLATION FISCAL NOTE

Department:	Contact Person/Phone:	CBO Analyst/Phone:
SDOT	Bob Chandler/684-7595	Cameron Keyes 684-8048

Legislation Title:

AN ORDINANCE relating to the financing of the Alaskan Way Viaduct and Seawall Replacement Program; amending Ordinance 123761 to increase the amount of an interfund loan.

Summary of the Legislation:
This ordinance increases to $13.7 million the Central Waterfront Improvement Fund Loan that was authorized in Ordinance 123761 for $2.4 million.

Background:
Ordinance 123761 authorized an interfund loan for the Central Waterfront Improvement Fund in the amount of $2.4 million, which consisted of $2.0 million in 2012 capital costs and $400,000 in future interest costs. This legislation increases the amounts to $11.5 million in capital costs and $2.2 million in future interest costs to reflect the anticipated 2013 spending on design and other pre-construction activities. The interfund loan is expected to be revised again in 2014 to meet future updated cash flow requirements.

The loan from the Consolidated (Residual) Cash Pool to the Central Waterfront Improvement Fund is intended to pay for improvements that could be funded by a local improvement district. The City intends to form and confirm a local improvement district in 2014.

Please check one of the following:

____ **This legislation does not have any financial implications.**
(Please skip to "Other Implications" section at the end of the document and answer questions a-h. Earlier sections that are left blank should be deleted. Please delete 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. Please delete the instructions provided in parentheses at the end of each title and question.)

Appropriations:
(This table should reflect appropriations that are a direct result of this legislation. In the event that the project/programs associated with this ordinance had, or will have, appropriations in other legislation please provide details in the Appropriation Notes section below. If the appropriation is not supported by revenue/reimbursements, please confirm that there is available fund balance to cover this appropriation in the note section.)

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Fund Name and Number	Department	Budget Control Level*	2012 Appropriation	2013 Anticipated Appropriation
N/A				
TOTAL				

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

Appropriations Notes: Appropriations are included in the 2013 Proposed Budget and assumed in the 2013-2018 Proposed Capital Improvement Program.

Anticipated Revenue/Reimbursement Resulting from this Legislation:

(This table should reflect revenues/reimbursements that are a direct result of this legislation. In the event that the issues/projects associated with this ordinance/resolution have revenues or reimbursements that were, or will be, received because of previous or future legislation or budget actions, please provide details in the Notes section below the table.)

Fund Name and Number	Department	Revenue Source	2012 Revenue	2013 Revenue
N/A				
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 loan will be increased to $13,700,000.

Total Regular Positions Created, Modified, or Abrogated through this Legislation, Including FTE Impact:

(This table should only reflect the actual number of positions affected by this legislation. In the event that positions have been, or will be, created as a result of other legislation, please provide details in the Notes section below the table.)

Position Title and Department	Position # for Existing Positions	Fund Name & #	PT/FT	2012 Positions	2012 FTE	2013 Positions*	2013 FTE*
N/A							
TOTAL							

** 2013 positions and FTE are total 2013 position changes resulting from this legislation, not incremental changes. Therefore, under 2013, please be sure to include any continuing positions from 2012.*

Position Notes:
N/A

Do positions sunset in the future?

(If yes, identify sunset date)

Spending/Cash Flow:

(This table should be completed only in those cases where part or all of the funds authorized by this legislation will be spent in a different year than when they were appropriated (e.g., as in the case of certain grants and capital projects). Details surrounding spending that will occur in future years should be provided in the Notes section below the table.)

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Fund Name & #	Department	Budget Control Level*	2012 Expenditures	2013 Anticipated Expenditures
TOTAL				

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

Spending/Cash Flow Notes:
N/A

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 the 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.

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:** None

List attachments to the fiscal note below: None.

COUNCIL CLERK

City of Seattle
Office of the Mayor

September 24, 2012

Honorable Sally J. Clark
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Clark:

I am pleased to transmit the attached proposed Council Bill for consideration with the 2013 Proposed and 2014 Endorsed Budget. This legislation increases the $2.4 million Central Waterfront Improvement Fund interfund loan that was authorized in 2012 to pay for improvements that could be funded by a future local improvement district. The new loan amount is $13.7 million.

Ordinance 123761 authorized an interfund loan in the amount of $2.4 million to the Waterfront Improvement Fund to cover 2012 costs and interest. This legislation increases the amount by $11.3 million to reflect the anticipated 2013 spending and future interest cost. The interfund loan is anticipated to be revised again in 2014 to meet future updated cash flow requirements and eventually repaid by funds from a local improvement district. The City intends to form and confirm a local improvement district in 2014.

Thank you for your consideration of this legislation. Should you have questions, please contact Cameron Keyes at 684-8048.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of Seattle City Council

Michael McGinn, Mayor
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