CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 117737

AN ORDINANCE relating to contracting indebtedness; amending Ordinance 124053 to lower the amount of bonds authorized to be issued thereunder and amending Exhibit A to Ordinance 124053 to adjust the projects listed thereon.

WHEREAS, by Ordinance 124053, the City provided 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, including the projects listed on Exhibit A attached to Ordinance 124053; and

WHEREAS, the City wishes to lower the amount of bonds authorized to be issued by Ordinance 124053 and to amend the list of projects and the amounts allocated to those projects by amending Exhibit A to Ordinance 124053; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Definitions. The meaning of capitalized terms used and not otherwise defined in this ordinance shall be as set forth in Ordinance 124053.

Section 2. Amendment to Section 3 of Ordinance 124053. Section 3 of Ordinance 124053 is amended to read as follows (additions are underlined and deletions are enclosed in double parentheses and struck through).

Section 3. Authorization and Description of Bonds. For the purposes of paying all or part of the costs of the Projects, issuing and selling the Bonds, and for other City purposes approved by ordinance, the City is authorized to borrow money on the credit of the City and issue limited tax general obligation bonds evidencing indebtedness in the maximum principal amount of not to exceed $((~~96~~))66 million. The general indebtedness to be incurred shall be within the limit of up to 1.5% of the value of the taxable property within the City permitted for general municipal purposes without a vote of the qualified voters therein. The Bonds may be issued in one or more series; may be combined with other general

obligation bonds authorized separately; shall be designated Limited Tax General Obligation Bonds and shall have such year and series or other designation as determined by the Director of Finance or as specified by the Bond Resolution consistent with the provisions of this ordinance; shall be dated as specified by the Bond Resolution; shall be in Authorized Denominations or such other denominations within a maturity as specified by the Bond Resolution; shall be numbered separately, in the manner and with any additional designation as the Bond Registrar deems necessary for the purpose of identification; and shall bear interest payable on the dates as specified by the Bond Resolution at such rate or rates as specified and approved by the Bond Resolution, which rate or rates may be fixed or variable, except that (i) if the interest rate on the Bonds is fixed, the net interest cost shall not exceed a weighted average rate of 10% per annum, and (ii) if the interest rate on the Bonds is variable, the net interest cost during the initial interest rate period for the initial series of Bonds shall not exceed a weighted average rate of 10% per annum. The Bonds shall mature on the dates and in years and amounts as specified by the Bond Resolution, except that the final maturity of any series of Bonds shall not exceed 30 years from the date of issuance. All or some of the Bonds may be Term Bonds, as specified by the Bond Resolution.

The City may issue the Bonds of any series as either tax-exempt or taxable for federal income tax purposes (including Tax Credit Subsidy Bonds), as shall be determined in the Bond Resolution.

On the date of issuance of each series, the expected life of the capital facilities to be financed with the proceeds of that series of the Bonds shall exceed the final maturity of the Bonds.

Section 3. Amendment of Exhibit A to Ordinance 124053. Exhibit A of Ordinance 124053 is amended to read as set forth in Exhibit A to this ordinance (additions are underlined and deletions are enclosed in double parentheses and struck through).

Section 4. General Authorization. The Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in their judgment may be necessary, appropriate, or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

Section 5. Severability. The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 6. Ratification of Prior Acts. Any action taken consistent with the authority of this ordinance, after its passage but prior to the effective date, is ratified, approved, and confirmed.

Section 7. Section Headings. The section headings in this ordinance are used for convenience only and shall not constitute a substantive portion of this ordinance.

Section 8. Effective Date. 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.

Passed by the City Council the ____ day of _____, 2013, and signed by me in open session in authentication of its passage this _____ day of _____, 2013.

_____
President _____ of the City Council

Approved by me this ____ day of _____, 2013.

_____
Michael McGinn, Mayor

Filed by me this ____ day of _____, 2013.

_____
Monica Martinez Simmons, City Clerk

(Seal)

Attachment

Exhibit A – Description of Projects

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~~))1,810,158
Rainier Beach Community Center	6,600,000
Magnuson Park Building 30	5,215,000
Magnuson Park Building 11	5,850,000
Fire Facilities	12,726,000
B&O IT	7,632,000
Financial IT Upgrades	5,886,000
Data Center	2,625,000
((~~Police~~)) Video Mobile Data Terminals	4,479,196
North Precinct	4,250,000
Issuance Costs and Pricing Adjustments	((~~2,732,553~~))1,898,201
Total	$((~~93,817,638~~))65,171,555

*Includes issuance costs and pricing adjustments.

Michael Van Dyck
FAS LTGO BondsAmend 2013 FISC
February 14, 2013
Version #2

FISCAL NOTE FOR CAPITAL PROJECTS ONLY

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

Legislation Title:

AN ORDINANCE relating to contracting indebtedness; amending Ordinance 124053 to lower the amount of bonds authorized to be issued thereunder and amending Exhibit A to Ordinance 124053 to adjust the projects listed thereon.

Summary and background of the Legislation:

This legislation amends the 2013 limited tax general obligation (LTGO) bond ordinance approved by the City Council last fall to reflect the addition of financing for Magnuson Park Building 11, and eliminates or reduces financing for other projects that no longer need it in 2013.

Overall, these changes reduce the size of the 2013 LTGO bond issue from $94 million to about $65 million. They also reduce the City's debt service in 2013 by about $1 million, and in 2014 by about $2 million. Most of these savings accrue to SDOT. The budget authority for payment of this debt service will be amended in a 2013 quarterly supplemental budget.

The tables below show these adjustments.

Revised Project List

#	Project	Capital Costs	Max. Term	Approx. Rate	Approx. 2013 Debt Service	Approx. 2014 Debt Service	D.S. Paid From
1	Bridge Seismic (BTG)	-	20	4.50%	-	-	SDOT (BTG) (2)
2	Mercer West (CPT)	-	20	4.50%	-	-	SDOT (CPT) (3)
3	South Park Bridge	-	20	4.50%	-	-	GF
4	Seawall (CPT)	6,200,000	20	4.50%	215,528	490,931	SDOT (CPT) (3)
5	Golf	1,810,158	20	4.50%	62,926	143,333	DPR
6	Rainier Beach Community Center	6,600,000	20	4.50%	229,433	522,604	GF
7	Magnuson 30	5,215,000	12	3.50%	141,001	555,859	DPR
8	Magnuson 11 Settlement	5,850,000	12	3.50%	158,169	623,543	DPR
9	Fire Facilities (1 of 5)	12,726,000	20	4.50%	442,388	1,007,676	REET I
10	North Precinct (1 of 3)	4,250,000	20	4.50%	147,741	336,525	GF
11	B&O IT	7,632,000	5	3.00%	176,872	1,716,477	GF (4)
12	Financial IT Upgrades (1 of 3)	5,886,000	5	3.00%	136,408	1,323,792	FAS
13	Data Center (1 of 3)	2,625,000	10	3.50%	70,973	325,103	DoIT
14	Video Mobile Data Terminals	4,479,196	5	3.00%	103,805	1,007,395	GF
	Total	**63,273,354**			**1,885,242**	**8,053,236**	

Previously Adopted Project List

#	Project	Capital Costs	Principal (incl. 3% pricing adj. & costs)	Max. Term	Approx. Rate	Approx. 2013 Debt Service	Approx. 2014 Debt Service	Approx. 2015 Debt Service	D.S. Paid From
1	Bridge Seismic (BTG)	6,928,043	7,135,884	20	4.50%	240,836	548,579	548,579	SDOT (BTG) (2)
2	Mercer West (CPT)	11,173,000	11,508,190	20	4.50%	388,401	884,705	884,705	SDOT (CPT) (3)
3	South Park Bridge	10,000,000	10,300,000	20	4.50%	347,625	791,824	791,824	GF
4	Seawall (CPT)	6,200,000	6,386,000	20	4.50%	215,528	490,931	490,931	SDOT (CPT) (3)
5	Golf	7,370,846	7,591,971	20	4.50%	256,229	583,641	583,641	DPR
6	Rainier Beach Community Center	6,600,000	6,798,000	20	4.50%	229,433	522,604	522,604	GF
7	Magnuson 30	5,215,000	5,371,450	12	3.50%	141,001	555,859	555,859	DPR
8	Fire Facilities (1 of 5)	12,726,000	13,107,780	20	4.50%	442,388	1,007,676	1,007,676	REET I
9	North Precinct (1 of 3)	4,250,000	4,377,500	20	4.50%	147,741	336,525	336,525	GF
10	B&O IT	7,632,000	7,860,960	5	3.00%	176,872	1,716,477	1,716,477	GF (4)
11	Financial IT Upgrades (1 of 3)	5,886,000	6,062,580	5	3.00%	136,408	1,323,792	1,323,792	FAS
12	Data Center (1 of 3)	2,625,000	2,703,750	10	3.50%	70,973	325,103	325,103	DoIT
13	Video Mobile Data Terminals	4,479,196	4,613,572	5	3.00%	103,805	1,007,395	1,007,395	GF
14	Handheld Ticketing	-	-	5	3.00%	-	-	-	GF
	Total	**91,085,085**	**93,817,638**			**2,897,239**	**10,095,111**	**10,095,111**	

____ **This legislation creates, funds, or anticipates a new CIP Project.**
(

____ **This legislation does not have any financial implications.**

__X__ **This legislation has financial implications.**

Appropriations:

This legislation does not make any appropriations.

Other Implications:

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

Overall, these changes will reduce or delay annual debt service costs.

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

The City would pay debt service on bonds that it does not need – approximately $1 million in 2013 and $2 million in 2014. For Building 11, the City could use $5.85 million of cash, but would need to find budget savings to support it. Alternatively, it could use an inter-fund loan, but would have no clear source for repayment.

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

This legislation affects FAS, SDOT, DPR, DoIT, and CBO.

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

None.

e) Is a public hearing required for this legislation?

None

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:

City of Seattle
Office of the Mayor

March 5, 2013

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, amending the 2013 Limited Tax General Obligation bond ordinance (124053). As part of the 2013 budget process, the City Council approved the issuance of limited tax general obligation bonds for certain projects in the City's general government Capital Improvement Program. The amendment authorized by this Bill revises that ordinance.

Specifically, this legislation adds authorization to issue bonds for a share of the City's settlement relating to Building 11 at Magnuson Park. It also reduces borrowing for other projects. These changes, which reflect revised project cash flow projections, reduce the City's debt service by about $1 million in 2013 and $2 million in 2014.

Should you have questions, please contact Michael Van Dyck at 206/684-8347.

Sincerely,

Michael McGinn
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Michael McGinn, Mayor
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