#11

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL 118257

AN ORDINANCE relating to making a loan to the Seattle Park District to provide funding for budgeted 2015 expenses; authorizing and providing for interfund loans to dedicated subfunds to be created within the City's Park and Recreation Fund and Parks Capital Fund to be used to make the Park District loan; providing for other properly related matters; and ratifying and confirming certain prior acts.

WHEREAS, in accordance with RCW 35.61.040, formation of the Seattle Park District (the "District") became effective and its boundaries established as of August 19, 2014, upon certification of results of the August 5, 2014 election; and

WHEREAS, RCW 84.09.030 provides that no property tax may be collected for any taxing district whose boundaries are not fixed as of August 1 of the calendar year preceding collection (i.e., August 1, 2014 for calendar year 2015 collections); and

WHEREAS, because the District's boundaries were not established prior to August 1, 2014, the first property tax collections for the District will commence in 2016, resulting in an emergency (as that term is used in RCW 35.61.290) during 2015 due to the lack of levy authority to support the District's 2015 budget; and

WHEREAS, pursuant to RCW 35.61.290, the City and the District are authorized to enter into agreements pursuant to which the City may "loan to [the District] such of its available funds (or such funds which it may lawfully procure and make available) as it shall find necessary...embodying such terms and conditions as may be mutually agreed upon" to provide for the setup and continuous functioning of the Park District and to ensure that the purposes for which the Park District was created are reasonably accomplished; and

WHEREAS, on November 24, 2014 the Board of Commissioners of the District is scheduled to approve a resolution, which authorizes the Board President to execute a Loan Agreement documenting a loan by the City to the District to be used to fund the District's 2015 adopted budget, which loan is to be repaid over eight years from annual property taxes to be received by the District commencing in 2016; and

WHEREAS, to fund the loan to the District it will be necessary for the City's Consolidated (Residual) Cash Pool to make interfund loans to a subfund authorized by this ordinance to be created within the City's Park and Recreation Fund and to a subfund authorized by this ordinance to be created within the City's Parks Capital Fund that will not be repaid within 90 days, thus requiring ordinance approval pursuant to Seattle Municipal Code section 5.06.030.E; and

SPS CITY CLERK

WHEREAS, there is sufficient cash in the City's Consolidated (Residual) Cash Pool or its participating funds to support a loan of up to $10,008,000 through the end of 2023; and

WHEREAS, after due consideration, the City has determined that it is in the best interest of the City to lend money to the District for the purpose of providing the funds with which to pay for operating costs during 2015, including the setup and first year of operations of the District; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. **Definitions**. Unless the context clearly requires otherwise, capitalized terms used in this Agreement have the following meanings:

"**City**" means The City of Seattle.

"**City Finance Director**" means the Director of the Finance Division of the Department of Finance and Administrative Services of the City, or any other officer who succeeds to substantially all of the responsibilities of that office.

"**District**" means the Seattle Park District, a metropolitan park district and a municipal corporation duly organized and existing under chapter 35.61 RCW and other State law.

"**Interfund Loan**" means a loan from the City's Consolidated (Residual) Cash Pool (or its participating funds) to a dedicated subfund as described in Section 2 of this ordinance.

"**Loan Agreement**" means a loan agreement between the City and the District, in substantially the form attached as Attachment 1, including any amendments thereto.

"**Loan Amount**" means the principal sum of all Loan Draws, in the aggregate not to exceed $10,008,000, loaned to the District by the City pursuant to this Agreement.

"**Loan Draw**" means an incremental principal draw against the Loan Amount.

Section 2. **Authorization of Interfund Loans**.

(a) For the sole purpose of making cash available to fund Loan Draws made under the Loan Agreement authorized by this ordinance, Interfund Loans in an aggregate principal amount not to exceed $10,008,000 (plus interest thereon accrued but unpaid) outstanding at any given time are hereby authorized to be made from the City's Consolidated (Residual) Cash Pool, or its participating funds, as follows: (i) not more than $7,511,390 (plus interest accrued thereon

2015 CITY CLERK

but unpaid) to be loaned to a subfund to be created within the City's Park and Recreation Fund, and (ii) not more than $2,496,610 (plus interest accrued thereon but unpaid) to be loaned to a subfund to be created within the City's Parks Capital Fund. The maximum amounts described in clauses (i) and (ii) of the preceding sentence shall be adjusted to conform to the amounts approved in the City's final adopted budget, provided that the total amount loaned by the Consolidated (Residual) Cash Pool to the two subfunds does not exceed $10,008,000 (plus interest thereon accrued but unpaid). The Interfund Loans are to be repaid no later than December 1, 2023, with interest calculated at a variable rate set forth in subsection (b) of this Section 2. Amounts so borrowed shall be recorded against the respective subfunds and shall be used immediately to fund Loan Draws in accordance with the Loan Agreement. Amounts repaid may not be reborrowed.

(b) Each Interfund Loan shall bear interest at a variable rate equal to the rate of return on the City's Consolidated (Residual) Cash Pool (or its equivalent successor), as determined by the Department of Finance and Administrative Services on a daily basis. Interest shall be calculated on the aggregate principal amount of all Interfund Loans made pursuant to this ordinance outstanding at the time of calculation.

(c) The Director of Finance may effectuate the Interfund Loan authorized in this ordinance by transferring cash from one or more funds participating in the City's Consolidated (Residual) Cash Pool to the designated subfund, or by carrying such designated subfund in a negative cash position in an amount not to exceed the maximum amounts set forth in subsection (a), less the amount of all repayments received, plus interest on the remaining balance that is accrued but unpaid, until no later than December 1, 2023. The Director of Finance is further authorized to establish, and modify if necessary, from time to time, a repayment plan and schedule providing that such Interfund Loans shall be due and payable as to both principal and interest at such time as sufficient revenues received from the District under the Loan Agreement are available to make such repayment, but in no event shall this date extend beyond December 1, 2023.

CITY CLERK

(d) The Director of Finance is authorized to create any subfunds in the Park and Recreation Fund and the Parks Capital Fund as may be necessary or desirable to accomplish the purposes of this ordinance.

Section 3. **Authorization of Loan to District**. The City finds that, due to the commencement date for District tax collections under State law, an emergency within the meaning of RCW 35.61.290 exists to provide funding for the District's adopted 2015 budget. The City authorizes the lending of money from the City to the District in a total Loan Amount not to exceed $10,008,000 to be used solely in order to provide funds for the District to pay the expenses included within its adopted 2015 budget and to ensure adequate availability of funds to ensure the setup and continuous operation of the District, taking into account the tax collection commencement date. The interest rates, repayment and other terms of the Loan shall be as set forth in the Loan Agreement. The form of the Loan Agreement is approved and the Mayor is authorized to execute the agreement in substantially the form attached hereto as Attachment 1, with such changes as may be deemed necessary or advisable.

Section 4. **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 5. **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.

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Section 6. **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 _____, 2014, and signed by me in open session in authentication of its passage this _____ day of _____, 2014.

_____
President _____ of the City Council

Approved by me this ____ day of _____, 2014.

_____
Edward B. Murray, Mayor

Filed by me this ____ day of _____, 2014.

_____
Monica Martinez Simmons, City Clerk

(Seal)

Attachments:

Attachment 1 – Form of Loan Agreement by and between The City of Seattle, Washington, and the Seattle Park District, King County, Washington

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FORM OF AGREEMENT [10/22/14]

LOAN AGREEMENT
by and between

THE CITY OF SEATTLE

and the

SEATTLE PARK DISTRICT
KING COUNTY, WASHINGTON

Dated as of _____ __, 20__

DIS CITY CLERK

TABLE OF CONTENTS

Section 1 . Recitals 1

Section 2 . Definitions 2

Section 3 . Loans to the Park District; Repayment Terms 3

3.1 Loans to the Park District; Purpose 3

3.2 Time and Amounts of Loan Draws 3

3.3 Repayment of Loan 4

3.4 Pledge of Park District Taxes 4

3.5 Covenants of the Park District 5

Section 4 . Remedies Upon Default 5

4.1 Remedies of City on Default 5

4.2 No Remedy Exclusive 5

4.3 Waiver of Breach; No Implied Waiver 5

4.4 Governing Law; Venue 5

Section 5 . Miscellaneous 6

5.1 Notices 6

5.1 Binding Effect; No Rights Created in Third Parties 6

5.2 Severability 6

5.3 Amendments 6

5.4 Time of Essence 6

5.5 Effective Date of and Termination of Agreement 7

CITY CLERK

LOAN AGREEMENT

This LOAN AGREEMENT (this "Agreement") is dated as of _____ __, 20__, by and between THE CITY OF SEATTLE (the "City"), a first-class city organized under the laws of the State of Washington, the SEATTLE PARK DISTRICT, King County, Washington (the "Park District"), a metropolitan park district duly organized and existing under and by virtue of chapter 35.61 RCW (together, the "Parties").

The City and the Park District enter into this Agreement to provide funding during calendar year 2015 for the continuous operation, maintenance and/or improvement of parks, playgrounds, facilities and other properties and programs supported by the Park District within the City, pursuant to RCW 35.61.290, the City Loan Ordinance and the Park District Loan Resolution.

The Parties agree as follows:

Section 1. Recitals. The following facts and circumstances form the background of this Agreement:

1.1 The Park District is a duly organized and legally existing metropolitan park district and a municipal corporation of the State of Washington, whose formation was approved by Seattle voters at an election held on August 5, 2014. In accordance with RCW 35.61.040, formation of the Park District became effective upon certification of the election results on August 19, 2014.

1.2 The Park District and the City are authorized by applicable provisions of state law, including without limitation chapters 35.61 and 67.20 RCW, to cooperatively provide parks and recreational programs throughout their coextensive boundaries, and have previously entered into the Master Interlocal Agreement, dated as of October 30, 2014 describing the manner in which the City and the Park District are each to contribute to providing ongoing and stable funding to maintain, operate and improve parks, community centers, pools and other recreation facilities and programs, and to implement elements of the Seattle Parks Legacy Plan and related planning documents going forward.

1.3 No property tax may be collected by the Park District until calendar year 2016, because RCW 84.09.030 provides that no property tax may be collected for any taxing district whose boundaries are not fixed as of August 1 of the calendar year preceding collection (i.e., August 1, 2014 for calendar year 2015 collections). Formation of the Park District became effective on August 19, 2014.

1.4 Pursuant to RCW 35.61.290, the City and the Park District are authorized to enter into an agreement "embodying such terms and conditions as may be mutually agreed upon" and pursuant to which the City may "loan to [the Park District] such of its available funds (or such funds which it may lawfully procure and make available) as it shall find necessary..." to ensure the continuous functioning of the Park District and to ensure that the purposes for which the Park District was created are reasonably accomplished.

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Section 2. Definitions. Unless the context clearly requires otherwise, capitalized terms used in this Agreement have the following meanings:

"Agreement" means this loan agreement, including any amendments hereto, between the City and the Park District.

"Business Day" means any day which is not a Saturday or Sunday or a day on which commercial banks located in Seattle, Washington, are closed for business.

"City" means The City of Seattle.

"City Council" means the Seattle City Council, as duly constituted from time to time.

"City Finance Director" means the Director of the City's Department of Finance, or his or her functional successor.

"City Loan Ordinance" means the ordinance of the City introduced as Council Bill 118257, adopted on November 24, 2014.

"Lending Fund" means a subfund within either the Park and Recreation Fund or the Parks Capital Fund, which is designated pursuant to the City Loan Ordinance for the disbursement of Loan Draws. Each draw request shall specify which subfund it is to be drawn against.

"Loan Amount" means the principal sum of all Loan Draws, in the aggregate not to exceed $10,008,000, loaned to the Park District by the City pursuant to this Agreement. The maximum Loan Amount that may be drawn against the subfund within the Park and Recreation Fund is not to exceed $7,511,390; the maximum Loan Amount that may be drawn against the subfund within the Parks Capital Fund is not to exceed $2,496,610.

"Loan Draw" means an incremental principal draw against the Loan Amount, made in accordance with Section 3 of this Agreement.

"Loan Maturity Date" means December 1, 2023.

"Loan Payment" means a periodic payment by the District of the principal of and/or interest on the Loan Amount to the City, in accordance with Section 3.3 of this Agreement.

"Loan Payment Date" means each December 1, beginning on December 1, 2016. If such date is not a Business Day, the Loan Payment Date shall fall on the next immediately succeeding Business Day.

"Master Interlocal Agreement" means the Interlocal Agreement Between The City of Seattle and the Seattle Park District, dated as of October 30, 2014.

"Park District" means the Seattle Park District, a metropolitan park district and a municipal corporation duly organized and existing under chapter 35.61 RCW and other State law.

"Park District Board" means the Board of park commissioners of the Seattle Park District, acting as the legislative authority and governing body of the Park District, as duly constituted from time to time.

"Park District Loan Resolution" means Resolution 3 of the Park District Board of Commissioners, passed on November 24, 2014.

"Park District Designated Representative" means the Park District Treasurer, or such other person who is authorized by the resolution of the Park District Board to make Loan Draws on behalf of the District.

"Park District Treasurer" means the person designated to serve as treasurer of the Park District in accordance with RCW 35.61.180.

"State" means the State of Washington.

Section 3. Loans to the Park District; Repayment Terms.

3.1 Loans to the Park District; Purpose. The Parties acknowledge that under State law, the Park District's *ad valorem* property tax levy authority will commence with taxes levied for collection in 2016. In order to ensure that the Park District has adequate funds to meet its obligations under the Master Interlocal Agreement to provide ongoing stable funding as set forth in its adopted 2015 budget in order to maintain, operate and improve parks, community centers, pools and other recreation facilities and programs, and to implement elements of the Seattle Parks Legacy Plan and related planning documents, the City agrees to lend to the Park District not to exceed an aggregate of $10,008,000, to be drawn in incremental Loan Draws made by the Park District for expenses included in the Park District's 2015 budget.

3.2 Time and Amounts of Loan Draws.

(a) Agreement to Lend Money. The City agrees to lend and the Park District agrees to borrow money solely for the purpose described in Section 3.1. The aggregate principal amount of the Loan to be made by the City pursuant to this Agreement shall not exceed $10,008,000, which shall be drawn in incremental Loan Draws made from time to time as required to pay expenses set forth in the Park District's 2015 adopted budget. This Loan is non-revolving; amounts drawn and repaid may not be reborrowed.

(b) Loan Draws. Promptly upon written request submitted by the Park District Designated Representative, acting on behalf of the Park District, supported by invoices for payment from the City's Parks Department acting on behalf of the City, the City shall cause the amount of each Loan Draw to be recorded as a transfer from the Lending Fund to the Park District's accounts. Loan Draws may be made at any time after January 1, 2015 and before June 30, 2016 for the purpose of paying 2015 budgeted expenses. Each Loan Draw shall specify the amount requested to be drawn against each Lending Fund; however, the City may in its sole discretion determine to draw against a different Lending Fund.

(c) Funds Availability. The City agrees to set aside in its budget such amounts as may be necessary to make the Loan Draws described in this Section 3.2. The obligation of the City to make disbursements is subject to and contingent upon the availability of interfund loans from the City's consolidated cash pool (or such other source of funds as may be approved by the City) to the Lending Funds, respectively, which interfund loan amounts are to be used to fund the Loan Draws.

3.3 Repayment of Loan.

(a) Terms. The principal amount loaned hereunder, together with interest thereon calculated as set forth in subsection (b) of this section, shall be repaid by the Park District from available property tax revenues received during each calendar year, beginning in 2016, in accordance with the schedule described in subsection (c) of this section. All or a portion of the Loan Amount may be prepaid at any time without penalty. All payments will be applied *first,* to costs owed to the City, *second,* to interest owed to the City, and *third,* to the principal loaned under this Agreement.

(b) Interest Rate. Loan Draws made under the terms of this Agreement will bear interest from the date of each draw until the date such draw is repaid. The rate of interest shall be a variable rate equal to the rate of return on the investments held by the City's Consolidated (Residual) Cash Pool (or its equivalent successor), as determined by the Department of Finance and Administrative Services on a daily basis. Interest will be calculated on aggregate principal amount of all Loan Draws outstanding at the time of calculation. The City may in its discretion charge a lower rate of interest. Absent manifest error, all calculations of the City shall be binding upon the Park District.

(c) Repayment Schedule and Maturity. Beginning on December 1, 2016, the Park District shall make annual Loan Payments to the City, on each Loan Payment Date, in approximately equal principal installments of 1/8th of the maximum Loan Amount authorized ($1,251,000), plus the interest accrued but unpaid to each Loan Payment Date. Unless paid earlier, all Loan Draws made hereunder shall mature on the Loan Maturity Date.

3.4 Pledge of Park District Taxes. For so long as any principal amount drawn on the Loan, or any interest thereon, remains outstanding, the Park District irrevocably pledges to include in its budget and levy taxes annually within the constitutional and statutory tax limitations provided by law without a vote of the electors on all of the taxable property within its boundaries in an amount sufficient, together with other money legally available and to be used therefor, to pay when due the principal of and interest on the Loan, and the full faith, credit, and resources of the Park District are pledged irrevocably for the annual levy and collection of those taxes and the prompt payment of that principal and interest. The Park District's obligations under this Agreement shall continue in effect and shall survive the satisfaction of any other Park District obligations to the City until such time as principal and interest due to the City pursuant to the Loan made hereunder have been repaid, together with any costs owed to the City pursuant to this Agreement.

3.5 Covenants of the Park District.

(a) Reporting. The Park District agrees that it shall cause proper books and records to be maintained and shall provide the City reasonable access to inspect such books and records upon request.

(b) No Additional Debt. So long as the Park District's obligation to repay the Loan remains outstanding under this Agreement, the Park District shall not incur any additional indebtedness without the prior written consent of the City.

Section 4. Remedies Upon Default.

4.1 Remedies of City on Default. Upon the occurrence of a default by the Park District in its obligation hereunder, the City may proceed to protect and enforce its rights in equity or at law, either in mandamus or for the specific performance of any covenant or agreement contained herein, or for the enforcement of any other appropriate legal or equitable remedy, as the City may deem most effectual to protect and enforce any of its rights or interests hereunder.

4.2 No Remedy Exclusive. No remedy conferred upon or reserved to either party by this Agreement is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Agreement or now or hereafter existing at law or in equity or by statute, and either party hereto shall be free to pursue, at the same time, each and every remedy, at law or in equity, which it may have under this Agreement, or otherwise.

4.3 Waiver of Breach; No Implied Waiver. No waiver of any breach of any covenant or agreement contained herein shall operate as a waiver of any subsequent breach of the same covenant or agreement or as a waiver of any breach of any other covenant or agreement, and in case of a breach by either party of any covenant, agreement or undertaking, the nondefaulting party may nevertheless accept from the other any payment or payments or performance hereunder without in any way waiving its right to exercise any of its rights and remedies provided for herein or otherwise with respect to any such default or defaults that were in existence at the time such payment or payments or performance were accepted by it. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. For the exercise of any remedy, it shall not be necessary to give any notice, other than such notice as may be expressly required herein.

4.4 Governing Law; Venue. This Agreement is governed by and shall be construed in accordance with the substantive laws of the State of Washington and shall be liberally construed so as to carry out the purposes hereof. Except as otherwise required by applicable law, any action under this Agreement shall be brought in the Superior Court of the State of Washington in and for King County.

CITY CLERK

Section 5. Miscellaneous.

5.1 Notices. All notices, consents or other communications required hereunder shall be in writing and shall be sufficiently given if addressed and delivered (which may include email, if printed in hard copy), as follows:

To the City:	To the Park District:
City of Seattle	Seattle Park District
_____	_____
_____	_____
Attention: _____	Attention: _____
Email:	Email:
Telephone:	Telephone:

The City or the Park District may designate any further or different addresses to which subsequent notices, certificates, requests or other communications shall be sent by giving notice of such change to the other party. Notices shall be deemed given upon deposit of such notices in the United States mail, return receipt requested, or if given electronically, only after written acknowledgement (which may include automatic electronic notification) of receipt.

5.2 Binding Effect; No Rights Created in Third Parties. This Agreement shall inure to the benefit of the City, the Park District and shall be binding upon the City and the Park District and their successors. This Agreement may not be assigned. The terms of this Agreement are not intended to establish or to create any rights in any persons or entities other than the City, the Park District, the respective successors and assigns of each.

5.3 Severability. In the event any provision of this Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

5.4 Amendments. This Agreement may be amended, changed, modified or altered only by an instrument in writing duly executed by the City and the Park District (or the successors in title of each).

5.5 Time of Essence. Time and all terms and conditions shall be of the essence of this Agreement.

5.6 Effective Date of and Termination of Agreement. This Agreement shall take effect as of the date first written above. The Parties agree that this Agreement will terminate upon the repayment in full of the Loan made hereunder.

ORAL AGREEMENTS OR ORAL COMMITMENTS TO LEND MONEY, EXTEND CREDIT, OR FORBEAR FROM ENFORCING REPAYMENT OF A DEBT ARE NOT ENFORCEABLE UNDER WASHINGTON LAW.

IN WITNESS WHEREOF, the City and the Park District have caused this Agreement to be executed in their respective names by their duly authorized officers, and have caused this Agreement to be dated as of the date set forth on the first page hereof.

THE CITY OF SEATTLE	SEATTLE PARK DISTRICT
_____	_____
Mayor	President, Park District Board
Attest:	Attest:
_____	_____
City Clerk	City Clerk

STATE OF WASHINGTON
COUNTY OF _____ ss.

I certify that I know or have satisfactory evidence that _____ and _____ are the persons who appeared before me, and said persons acknowledged that said persons signed this instrument, on oath stated that said persons were authorized to execute the instrument and acknowledged it as the Mayor and Clerk, respectively, of THE CITY OF SEATTLE, a municipal corporation of the State of Washington, to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2014.

_____
(Signature of Notary)

_____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington, residing at _____

My appointment expires _____

STATE OF WASHINGTON
COUNTY OF KING ss.

I certify that I know or have satisfactory evidence that _____ is the person who appeared before me, and said person acknowledged that said person signed this instrument, on oath stated that said person was authorized to execute the instrument and acknowledged it as the President of the Board of Commissioners of the SEATTLE PARK DISTRICT, a municipal corporation of the State of Washington, to be the free and voluntary act of such municipal corporation for the uses and purposes mentioned in the instrument.

Dated this _____ day of _____, 2014.

_____
(Signature of Notary)

_____
(Legibly Print or Stamp Name of Notary)

Notary public in and for the State of Washington, residing at _____

My appointment expires _____

DMS CITY CLERK

Form revised: February 26, 2014

FISCAL NOTE FOR NON-CAPITAL PROJECTS

Department:	Contact Person/Phone:	CBO Analyst/Phone:
City Budget Office	Forrest Longman/684-0331	

Legislation Title:
AN ORDINANCE relating to making a loan to the Seattle Park District to provide funding for budgeted 2015 expenses; authorizing and providing for interfund loans to dedicated subfunds to be created within the City's Park and Recreation Fund and Parks Capital Fund to be used to make the Park District loan; providing for other properly related matters; and ratifying and confirming certain prior acts.

Summary of the Legislation:
This legislation authorizes interfund loans from for the consolidated cash pool to fund Seattle Park District budgeted operational and capital programs in 2015. It also authorizes the City to enter into a loan agreement with the Seattle Park District. Interfund loans totaling $7.5 million and $2.5 million will be made to a subfund within the Park and Recreation Fund and a subfund within the Parks Capital Fund, respectively. Those funds will then be loaned via the loan agreement to the Seattle Park District. The Park District will use those resources to fund operational and capital projects in the Parks Department. The Park District will repay the loan of $10,008,000, plus accrued interest, over eight years.

Background:
The Seattle Park District became effective and its boundaries were established August 19, 2014, upon certification of results of the August 5, 2014 election. However, RCW 84.09.030 provides that no property tax may be collected for any taxing district whose boundaries are not fixed as of August 1 of the calendar year preceding collection (i.e., August 1, 2014 for calendar year 2015 collections). Because the District's boundaries were not established prior to August 1, 2014, the first property tax collections for the District will commence in 2016, resulting in an emergency (as that term is used in RCW 35.61.290) due to the lack of revenues to support the District's setup and operations during 2015.

The financial plan included as part of the Seattle Park District proposal put to voters and adopted by the City (Ordinance 124468) and the Park District (Resolution 1) as an attachment to the interlocal agreement included $10 million in spending in 2015. Since the District is not authorized to collect taxes until 2016, it is necessary for the City to provide a loan to the Park District for 2015 capital and operational programs.

_X_ This legislation has financial implications.
This legislation does not have any direct implications to appropriations or revenues as adopted in the budget. However, it does include indirect financial implications detailed in the section below.

Other Implications:

a) **Does the legislation have indirect financial implications, or long-term implications?**
This legislation authorizes an interfund loan from the consolidated cash pool to the Park and Recreation Fund which in turn is loaned to the Seattle Park District. The loan amount totals $10,008,000. The loan will be repaid over eight years (2016-2023) and is secured by the tax revenues of the Park District.

b) **What is the financial cost of not implementing the legislation?**
None.

c) **Does this legislation affect any departments besides the originating department?**
The Department of Parks and Recreation as borrower of the cash pool loan and the ultimate recipient of funds and the Department of Finance and Administrative Services as the administrator of the cash pool.

d) **What are the possible alternatives to the legislation that could achieve the same or similar objectives?**
The only alternative to this legislation that could achieve a similar objective would be the issuing of debt by the Seattle Park District. City staff has analyzed this option and determined that it would increase the transaction costs for all parties involved while offering no advantages.

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:**

List attachments to the fiscal note below: N/A

CITY CLERK

City of Seattle
Edward B. Murray
Mayor

October 17, 2014

Honorable Tim Burgess
President
Seattle City Council
City Hall, 2nd Floor

Dear Council President Burgess:

I am transmitting the attached proposed Council Bill which provides an interfund loan for Seattle Park District uses in 2015 and authorizes the City to enter into a loan agreement with the Seattle Park District. The Seattle Park District became effective and its boundaries were established August 19, 2014, upon certification of results of the August 5, 2014 election. However, RCW 84.09.030 provides that no property tax may be collected for any taxing district whose boundaries are not fixed as of August 1 of the calendar year preceding collection (i.e., August 1, 2014 for calendar year 2015 collections). Because the District's boundaries were not established prior to August 1, 2014, the first property tax collections for the District will commence in 2016, resulting in an emergency due to the lack of revenues to support the District's setup and operations during 2015.

This loan will allow the Seattle Park District to begin funding programs in 2015. Without this loan, Seattle Park District programs will have no source of funding in 2015. Thank you for your consideration of this legislation. Should you have questions, please contact Forrest Longman at 684-0331.

Sincerely,

Edward B. Murray
Mayor of Seattle

cc: Honorable Members of the Seattle City Council

Office of the Mayor
Seattle City Hall, 7th Floor
600 Fourth Avenue
PO Box 94749
Seattle, Washington 98124-4749

Tel (206) 684-4000
Fax: (206) 684-5360
Hearing Impaired use the Washington Relay Service (7-1-1)
www.seattle.gov/mayor

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