SEATTLE CITY COUNCIL

Legislative Summary

CB 118536

Record No.: CB 118536
Version: 1
Type: Ordinance (Ord)
~~118536~~ 124926
Status: Passed
In Control: City Clerk
File Created: 09/22/2015
Final Action: 12/01/2015

Title: AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 124638, to change the terms of the outstanding interfund loan.

Notes:

Sponsors: Licata

Attachments:

Drafter: adam.schaefer@seattle.gov

	Date
Filed with City Clerk:	
Mayor's Signature:	
Vetoed by Mayor:	
Veto Overridden:	
Veto Sustained:	

Filing Requirements/Dept Action:

History of Legislative File

Legal Notice Published: ☐ Yes ☐ No

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Mayor	09/28/2015	Mayor's leg transmitted to Council	City Clerk			

Action Text: The Council Bill (CB) was Mayor's leg transmitted to Council. to the City Clerk
Notes:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	City Clerk	10/20/2015	sent for review	Budget Committee			

Action Text: The Council Bill (CB) was sent for review. to the Budget Committee
Notes:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Full Council	10/26/2015	referred	Budget Committee			

Action Text: The Council Bill (CB) was referred. to the Budget Committee
Notes:

Ver-sion:	Acting Body:	Date:	Action:	Sent To:	Due Date:	Return Date:	Result:
1	Budget Committee	11/16/2015	pass				Pass

Action Text: The Committee recommends that Full Council pass the Council Bill (CB).
Notes:

In Favor: 8 Chair Licata, Member Bagshaw, Member Burgess, Member Godden, Member O'Brien, Okamoto, Member Rasmussen, Member Sawant

Opposed: 0

1	Full Council	11/23/2015	passed		Pass

Action Text: The Council Bill (CB) was passed by the following vote and the President signed the Bill:

In Favor: 9 Councilmember Bagshaw, Council President Burgess, Councilmember Godden, Councilmember Harrell, Councilmember Licata, Councilmember O'Brien, Okamoto, Councilmember Rasmussen, Councilmember Sawant

Opposed: 0

1	City Clerk	11/30/2015	submitted for Mayor's signature	Mayor

Action Text: The Council Bill (CB) was submitted for Mayor's signature. to the Mayor

Notes:

1	Mayor	12/01/2015	Signed

Action Text: The Council Bill (CB) was Signed.

Notes:

1	Mayor	12/01/2015	returned	City Clerk

Action Text: The Council Bill (CB) was returned. to the City Clerk

Notes:

1	City Clerk	12/01/2015	attested by City Clerk

Action Text: The Ordinance (Ord) was attested by City Clerk.

Notes:

CITY OF SEATTLE

ORDINANCE 124926

COUNCIL BILL 118536

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 124638, to change the terms of the outstanding interfund loan.

WHEREAS, Ordinance 121179 approved a loan of up to $10,480,000 from the Consolidated Cash Pool to the Cumulative Reserve Subfund, Unrestricted Subaccount, to be paid back by December 31, 2003; and

WHEREAS, the originally anticipated source for loan repayment was the proceeds generated from the sale of surplus City-owned property not needed at the Joint Training Facility site; and

WHEREAS, Ordinance 121179 was most recently amended in 2014 by Ordinance 124638, which requires the jurisdictional department to begin repaying the City's Consolidated Cash Pool annual repayments of at least $650,000 if the loan is not fully paid off by the end of 2016; and

WHEREAS, Ordinance 124638 also removed the expiration date of December 31, 2016, from the interfund loan; and

WHEREAS, the original $10,480,000 interfund loan has accrued approximately $3,106,000 in interest expense as of August 2015 and is anticipated to have accrued approximately $3,166,000 in interest expense as of December 2015; and

WHEREAS, the Cumulative Reserve Subfund Unrestricted Subaccount has accumulated sufficient cash reserves to repay $9,646,432 of principal and estimated accrued interest on the outstanding interfund loan at end of 2015;

WHEREAS, the Director of Finance and the City Budget Director seek to change the terms of the interfund loan for the Joint Training Facility Project to recognize the reduced outstanding loan balance; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. Section 2 of Ordinance 121179 is amended as follows:

Section 2. The Director of Finance or ((~~his~~)) the Director's designee is authorized to loan funds from the City's Consolidated Cash Pool or its participating funds to the Cumulative Reserve Subfund, in a principal amount no greater than ((~~TEN MILLION FOUR HUNDRED EIGHTY THOUSAND DOLLARS ($10,480,000)~~)) $4,000,000, by allowing the Cumulative Reserve Subfund to be in a negative cash position to the extent necessary ((~~to accommodate the appropriation in Section 1~~)) or by temporarily transferring up to that amount of cash from one or more of the funds participating in the City's Consolidated Cash Pool to the Cumulative Reserve Subfund.

Section 2. To re-establish the expiration date of the interfund loan to the Cumulative Reserve Subfund, Section 3 of Ordinance 121179, as last amended by Ordinance 124638, is further amended as follows:

Section 3. The entire principal loaned as authorized in Section 2, with interest thereon at the rate of return of the City's Consolidated Cash Pool, shall be repaid no later than December 31, 2017, unless extended by ordinance. If the loan plus accrued interest is not repaid in full by December 31, 2016, the jurisdictional department shall begin repaying ((~~the City's Consolidated Cash Pool~~)) at least $650,000 per year beginning in 2017 until the loan plus accrued interest has been repaid.

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.

Passed by the City Council the 23rd day of NOVEMBER, 2015, and signed by me in open session in authentication of its passage this 23rd day of NOVEMBER, 2015.

President __________ of the City Council

Approved by me this 1st day of December, 2015.

Edward B. Murray, Mayor

Filed by me this 1st day of December, 2015.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Contact Person/Phone:	Executive Contact/Phone:
City Budget Office	Katherine Tassery/5-0703	Adam Schaefer/4-8358

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 124638, to change the terms of the outstanding interfund loan.

Summary of the Legislation: This legislation would amend Section 3 of Ordinance 121179, as last amended by Ordinance 124638, by reducing the authorized amount of the interfund loan in Fund 00164, the Cumulative Reserve Subfund Unrestricted Subaccount to $4 million, thereby recognizing that revenues into the fund over the past several years have effectively repaid $9,646,432 of the outstanding principal and interest. The legislation would also add a deadline for repayment of the remaining portion of the loan of Dec. 31, 2017.

Background: Ordinance 121179 was originally passed in mid-2003 to support site acquisition and preconstruction activities of the Joint Training Facility (JTF) at 9401 Myers Way by authorizing an interfund loan from the Consolidated Cash Pool to cover the acquisition costs in the Cumulative Reserve Subfund, Unrestricted Subaccount. The original deadline for repayment of the loan was Dec. 31, 2003. Ordinances 121363, 121980, 122289, 122558, 122854, 123481, 124038 and 124638 subsequently extended the term of the loan. In 2014, Ordinance 124638 also included Council Green Sheet 8-1-B-1, which removed the expiration date of the loan and required the jurisdictional department to begin repaying the City’s Consolidated Cash Pool annual repayments of at least $650,000 if the loan is not fully paid off by the end of 2016.

The City was required to purchase more property than what was needed for the JTF project, and so borrowed part of the total purchase price through an interfund loan in the Cumulative Reserve Subfund Unrestricted Subaccount with the intent to repay the loan with proceeds from the sale of the surplus property. In 2006, under Ordinance 122308, the City Council declared the property surplus and authorized the sale, although the sale transaction was not completed due to environmental and permitting issues. In subsequent years, Department of Finance and Administrative Services (FAS) staff has evaluated other potential municipal uses of the property, including a municipal jail, urban farming and a Seattle City Light training facility. In preparation for the property’s eventual sale or City use, FAS obtained a wetland jurisdictional determination on the property from the Army Corps of Engineers in 2012. FAS is currently evaluating the site for other potential City and external uses.

FAS expects proceeds from a property sale, departmental transfer or accumulation of additional fund balance in the Cumulative Reserve Subfund Unrestricted Subaccount to be available to repay the remainder of the loan prior to the Dec. 31, 2017. Additionally, FAS recognizes the need to begin making annual payments of $650,000 if the property is not sold by the end of 2016.

Summary Accrued and Estimated Interest on $10.48 million JTF Loan

Year	Principal Amount	Interest Amount	Cumulative Total
2003	10,480,000	121,314	10,601,314
2004	10,480,000	247,917	10,849,231
2005	10,480,000	307,755	11,156,986
2006	10,480,000	433,056	11,590,042
2007	10,480,000	595,989	12,186,031
2008	10,480,000	508,202	12,694,233
2009	10,480,000	230,050	12,924,283
2010	10,480,000	135,548	13,059,831
2011	10,480,000	108,467	13,168,298
2012	10,480,000	106,246	13,274,544
2013	10,480,000	87,949	13,362,493
2014	10,480,000	122,528	13,485,021
2015	10,480,000	161,411	13,646,432
	10,480,000	**3,166,432**	**13,646,432**

The principal and estimated interest expense, through Dec. 31, 2015, are $13,646,432. This legislation recognizes the repayment of $9,646,432 by the Cumulated Reserve Subfund Unrestricted Subaccount, including the principal of $6,480,000 and accrued interest estimated at of the end of 2015 of $3,166,432.

2. CAPITAL IMPROVEMENT PROGRAM

____ This legislation creates, funds, or amends a CIP Project.

3. SUMMARY OF FINANCIAL IMPLICATIONS

__X__ This legislation does not have direct financial implications.

This legislation makes no appropriations or changes to revenue; it recognizes that $9,646,432 of past revenues to the Cumulated Reserve Subfund Unrestricted Subaccount have paid down the outstanding balance of the interfund loan and adjusts the authorized loan amount accordingly.

4. OTHER IMPLICATIONS

a) Does the legislation have indirect or long-term financial impacts to the City of

Seattle that are not reflected in the above?
This legislation changes the term of the outstanding interfund loan for the Joint Training Facility project to recognize partial repayment and create an expiration date for the loan of Dec. 31, 2017.

b) **Is there financial cost or other impacts of not implementing the legislation?**
Absent this legislation to change the loan terms, the interfund loan would continue with no expiration date under the terms last amended in Ordinance 124638, which includes the entire acquisition price for the property of $10,480,000 and the accrued interest of $3,166,432, for a total of $13,646,432 projected at the end of 2015.

c) **Does this legislation affect any departments besides the originating department?**
No.

d) **Is a public hearing required for this legislation?**
No.

e) **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?**
No.

f) **Does this legislation affect a piece of property?**
Yes, a map is included as Attachment A to this Summary and Fiscal Note.

g) **Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities?**
No.

h) **If this legislation includes a new initiative or a major programmatic expansion: What are the long-term and measurable goals of the program? Please describe how this legislation would help achieve the program's desired goals.**
N/A

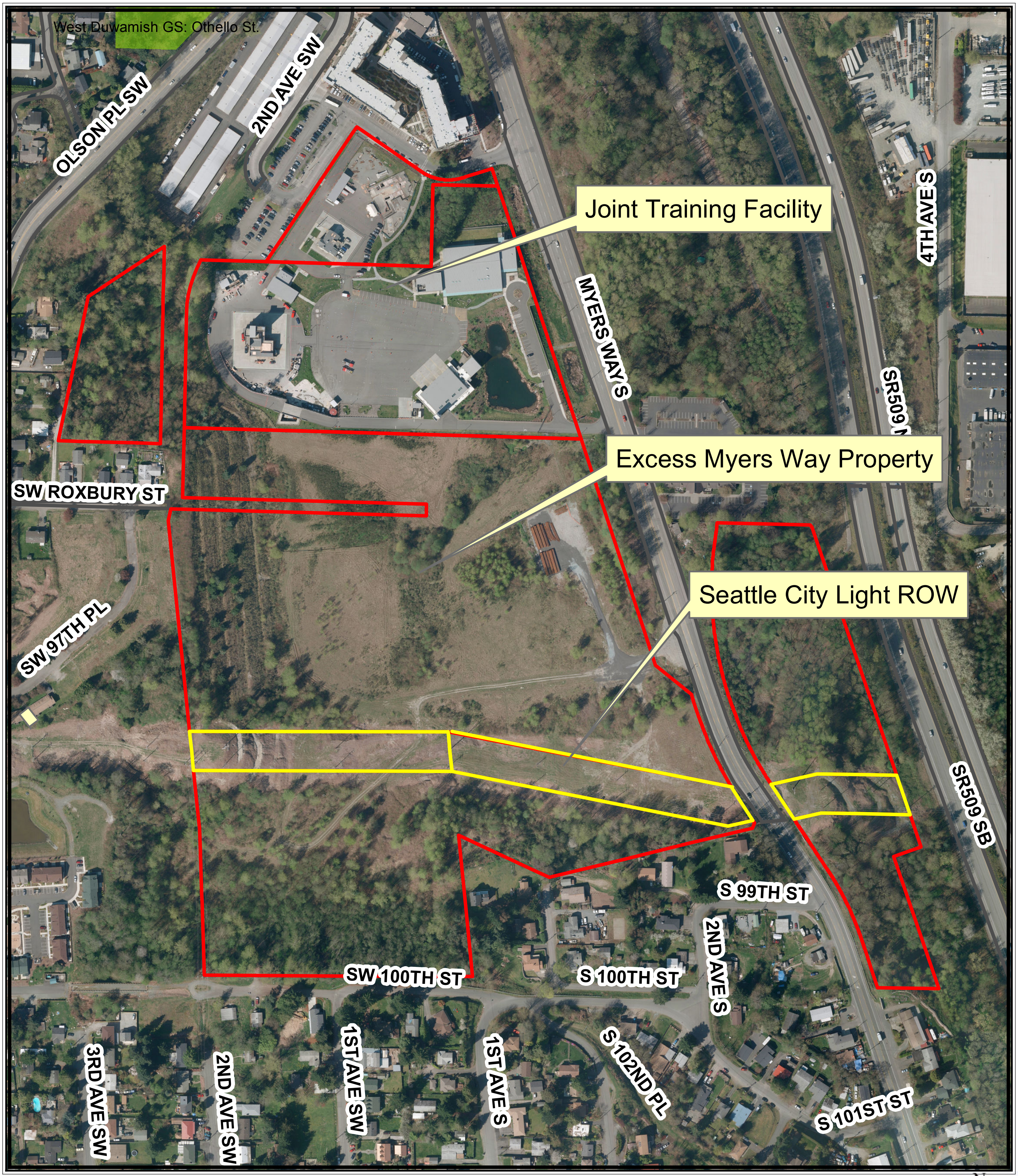
i) **Other Issues:**

List attachments/exhibits below:

Attachment A: Location Map

Att A - Location Map
V3

[For Ordinance 124926 / CB 118536]



Joint Training Facility
Myers Way Property

Produced by the City of Seattle FAS, Real Estate Services, D,Bretzke

STATE OF WASHINGTON -- KING COUNTY

--ss.

331453

No. 124921,922,923,924,925,26

CITY OF SEATTLE,CLERKS OFFICE

Affidavit of Publication

The undersigned, on oath states that he is an authorized representative of The Daily Journal of Commerce, a daily newspaper, which newspaper is a legal newspaper of general circulation and it is now and has been for more than six months prior to the date of publication hereinafter referred to, published in the English language continuously as a daily newspaper in Seattle, King County, Washington, and it is now and during all of said time was printed in an office maintained at the aforesaid place of publication of this newspaper. The Daily Journal of Commerce was on the 12th day of June, 1941, approved as a legal newspaper by the Superior Court of King County.

The notice in the exact form annexed, was published in regular issues of The Daily Journal of Commerce, which was regularly distributed to its subscribers during the below stated period. The annexed notice, a

CT:TITLE ONLY ORDINANCES

was published on

12/15/15

The amount of the fee charged for the foregoing publication is the sum of $108.50 which amount has been paid in full.

Subscribed and sworn to before me on

12/15/2015

Notary public for the State of Washington,
residing in Seattle

MELISSA M. DOWD
STATE OF WASHINGTON
NOTARY PUBLIC
MY COMMISSION EXPIRES
11-21-19

Affidavit of Publication

State of Washington, King County

City of Seattle

Title Only Ordinances

The full text of the following legislation, passed by the City Council on November 23, 2015, and published below by title only, will be mailed upon request, or can be accessed at http://clerk.seattle.gov. For information on upcoming meetings of the Seattle City Council, please visit http://www.seattle.gov/council/calendar. Document Type Contact: Office of the City Clerk at (206) 684-8344.

Ordinance 124921

AN ORDINANCE relating to financial management practices; amending Section 5.08.020 of the Seattle Municipal Code and repealing Section 5.08.025 and Chapter 5.33 of the Seattle Municipal Code.

Ordinance 124922

AN ORDINANCE relating to jail services; authorizing the Mayor to execute an Interlocal Agreement with Snohomish County for the provision of Jail Services; and ratifying and confirming certain prior acts.

Ordinance 124923

AN ORDINANCE relating to pet licensing; adjusting cat and dog license fees; and amending Section 9.26.020 of the Seattle Municipal Code.

Ordinance 124924

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 costs of various elements of the City's capital improvement program and other City purposes approved by ordinance, to provide a contribution to the Pike Place Market Preservation and Development Authority for the financing of certain improvements, and to pay the costs of issuance of the bonds; providing for certain terms, conditions and covenants and the manner of sale of the bonds; amending Ordinance 123480 (as previously amended by Ordinance 124341 and Ordinance 124637); and ratifying and confirming certain prior acts.

Ordinance 124925

AN ORDINANCE relating to the Haller Lake Improvements project in the Department of Finance and Administrative Services; establishing the 2017 Multipurpose LTGO Bond Fund; authorizing the loan of funds from the City's Consolidated (Residual) Cash Pool, or its participating funds, in the amount of $1,500,000, to the 2017 Multipurpose LTGO Bond Fund for bridge financing of the Haller Lake Improvements project; and ratifying and confirming certain prior acts; all by a 3/4 vote of the City Council.

Ordinance 124926

AN ORDINANCE relating to the Joint Training Facility Project; amending Ordinance 121179, as last amended by Ordinance 124638, to change the terms of the outstanding interfund loan.

Date of publication in the Seattle Daily Journal of Commerce, December 15, 2015.

12/15(331453)