SUMMARY and FISCAL NOTE

Department:	Dept. Contact:	CBO Contact:
Seattle Department of Transportation	Chris Godwin	Aaron Blumenthal

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to the financing of the Seattle Department of Transportation; authorizing the extension of the loan of funds in the amount of $25,000,000 from the Information Technology Fund to the Transportation Fund to support essential transportation programs as authorized in Ordinance 126227; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation: The City approved an interfund loan in December 2020 of $25 million from the Information Technology Fund to the Transportation Fund with a repayment date of December 31, 2024 for all principal and interest.

Revenues supporting the Seattle Department of Transportation were heavily impacted by COVID-19 and slower to recover from COVID-19 than previously anticipated. As evidence of this, in 2021, SDOT needed to take a second interfund loan because the Transportation Fund had been in a negative fund balance position for over 90 days. That loan was repaid in 2022, however SDOT has not been able to repay the first loan of $25 million from 2020. As SDOT is entering a period of more estimable revenues and expenditures, it anticipates making payments on the outstanding interfund loan over the next year beginning in the third quarter of 2024 through December 31, 2025. A detailed repayment schedule can be found in Attachment A to this document.

SDOT will work closely with the City Budget Office and Office of City Finance during the period of extension of this interfund loan to develop recommendations for addressing the deficit and restoring reserves to avoid similar situations for the Transportation Fund in the future.

Given that the loan may not be fully repaid at the end of the extended term in December 31, SDOT anticipates that it will be necessary to return to Council for authorization by ordinance to address any need for a further extension of the loan, to be informed by the remaining balance as of the third quarter of 2025.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ☐ **Yes** ☒ **No**

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation have financial impacts to the City? ☐ **Yes** ☒ **No**

3.d. Other Impacts

Does the legislation have other financial impacts to The City of Seattle, including direct or indirect, one-time or ongoing costs, that are not included in Sections 3.a through 3.c? If so, please describe these financial impacts.
No.

If the legislation has costs, but they can be absorbed within existing operations, please describe how those costs can be absorbed. The description should clearly describe if the absorbed costs are achievable because the department had excess resources within their existing budget or if by absorbing these costs the department is deprioritizing other work that would have used these resources.

Please describe any financial costs or other impacts of *not* implementing the legislation.
The City would not have adequate cash resources to pay for transportation functions and services.

4. OTHER IMPLICATIONS

a. Please describe how this legislation may affect any departments besides the originating department.
We do not anticipate any appreciable impacts to other departments. The lending fund – the Information Technology Fund – supports the Seattle Information Technology Department; however, the extension of this interfund loan will not impact the Department's budget, finances, or operations.

b. Does this legislation affect a piece of property? If yes, please attach a map and explain any impacts on the property. Please attach any Environmental Impact Statements, Determinations of Non-Significance, or other reports generated for this property.
No.

c. Please describe any perceived implication for the principles of the Race and Social Justice Initiative.

i. How does this legislation impact vulnerable or historically disadvantaged communities? How did you arrive at this conclusion? In your response please consider impacts within City government (employees, internal programs) as well as in the broader community.
Not applicable.

ii. Please attach any Racial Equity Toolkits or other racial equity analyses in the development and/or assessment of the legislation.
Not applicable.

iii. What is the Language Access Plan for any communications to the public?
Not applicable.

d. Climate Change Implications

i. Emissions: How is this legislation likely to increase or decrease carbon emissions in a material way? Please attach any studies or other materials that were used to inform this response.
Not applicable.

ii. Resiliency: Will the action(s) proposed by this legislation increase or decrease Seattle's resiliency (or ability to adapt) to climate change in a material way? If so, explain. If it is likely to decrease resiliency in a material way, describe what will or could be done to mitigate the effects.
Not applicable.

e. If this legislation includes a new initiative or a major programmatic expansion: What are the specific long-term and measurable goal(s) of the program? How will this legislation help achieve the program's desired goal(s)? What mechanisms will be used to measure progress towards meeting those goals?
Not applicable.

5. CHECKLIST

☐ **Is a public hearing required?**

☐ **Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required?**

☐ **If this legislation changes spending and/or revenues for a fund, have you reviewed the relevant fund policies and determined that this legislation complies?**

☐ **Does this legislation create a non-utility CIP project that involves a shared financial commitment with a non-City partner agency or organization?**

6. ATTACHMENTS

Summary Attachments: Summary Attachment A – SDOT Interfund Loan Summary

SDOT Interfund Loan Summary

Borrowing Fund Name/Fund No.	Transportation Fund/13000
Lending Fund Name/Fund No.	Information Technology Fund/50410
Project Name(s)	Various
CIP Number	Various
Loan Repayment Sources	Commercial Parking Tax
Authorized Loan Amount	$ 25,000,000
Est. Total Interest Expense	$ 2,817,642

Accounting Period	Beginning Loan Balance	Cash Outflows (Loan Draws)	Interest Charge	Cash Inflows (Loan Repayments)	Est. Outstanding Loan Balance	*Accrued Interest*
Aug-24	25,897,578	-	86,325	-	25,983,903	1,987,491
Sep-24	25,983,903	-	86,613	1,500,000	24,570,516	2,074,104
Oct-24	24,570,516	-	81,902	-	24,652,418	2,156,006
Nov-24	24,652,418	-	82,175	-	24,734,593	2,238,181
Dec-24	24,734,593	-	82,449	8,440,000	16,377,042	2,320,629
Jan-25	16,377,042	-	54,590	-	16,431,632	2,375,220
Feb-25	16,431,632	-	54,772	-	16,486,404	2,429,992
Mar-25	16,486,404	-	54,955	-	16,541,359	2,484,946
Apr-25	16,541,359	-	55,138	-	16,596,496	2,540,084
May-25	16,596,496	-	55,322	-	16,651,818	2,595,406
Jun-25	16,651,818	-	55,506	8,440,000	8,267,324	2,650,912
Jul-25	8,267,324	-	27,558	-	8,294,882	2,678,470
Aug-25	8,294,882	-	27,650	-	8,322,531	2,706,119
Sep-25	8,322,531	-	27,742	-	8,350,273	2,733,861
Oct-25	8,350,273	-	27,834	-	8,378,107	2,761,695
Nov-25	8,378,107	-	27,927	-	8,406,034	2,789,622
Dec-25	8,406,034	-	28,020	8,434,055	(0)	2,817,642

Interest Rate Assumptions:	
2024-2025	4.00%

Note: *These interest rate assumptions are for planning purposes only. Unless otherwise stated, the actual monthly interest charge will be at the monthly rate of return on the City's consolidated cash pool investments.*