

CITY OF SEATTLE
ORDINANCE 126487
COUNCIL BILL 120223

AN ORDINANCE relating to the financing of the Transportation Fund; authorizing interfund loans up to a total amount of \$15,000,000 from multiple City funds as bridge financing to be repaid by the proceeds of a future surplus property sale.

WHEREAS, under Ordinance 125916, the City Council authorized the sale of properties in South Lake Union, collectively known as the “Mercer Megablock” properties, for \$138.5 million; and

WHEREAS, Ordinance 125916 anticipated approximately \$50 million of sale proceeds being appropriated to the Transportation Fund upon completion of the sale (later adjusted to \$54.7 million); and

WHEREAS, completion of the Mercer Megablock property sale was originally anticipated to be completed in 2021, and is currently expected to close on or before March 31, 2022; and

WHEREAS, several 2021 Seattle Department of Transportation programs and projects are reliant on proceeds from the Mercer Megablock sale; and

WHEREAS, the Transportation Fund currently has an interfund loan authorization pursuant to Ordinance 126227 of up to \$25 million principal and interest outstanding from the Information Technology Fund; and

WHEREAS, Seattle Municipal Code subsection 5.06.030.C requires City Council approval by ordinance of any interfund loan for a duration of 90 days or more; and

WHEREAS, in the normal course of business the City may temporarily lend cash between funds to maintain required balances; and

1 WHEREAS, the Director of Finance and the City Budget Director have determined that this
2 interfund loan request is consistent with the Debt Management Policies adopted by
3 Resolution 31553; and

4 WHEREAS, there is sufficient cash in several City Funds to support additional interfund loans to
5 the Transportation Fund up to \$15 million and still meet regular budgeted operating
6 needs; and

7 WHEREAS, funds loaned to the Transportation Fund pursuant to this ordinance are intended to
8 be repaid from proceeds from the property sale of the Mercer Megablock in 2022;

9 NOW, THEREFORE,

10 **BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:**

11 Section 1. The City Council finds that there is no viable alternative to meet a core City
12 objective, and therefore the Director of Finance is authorized to make one or more revolving
13 loans of up to \$15,000,000 total principal and interest outstanding from one or more of the City
14 Funds identified in Section 2 of this ordinance to the Transportation Fund to provide bridge
15 financing for essential transportation programs. Each loan is to be repaid no later than December
16 31, 2022, with interest on the loan at the rate of return of the City's Consolidated Cash Pool. The
17 entire principal and interest amount of the loan drawn is intended to be repaid with anticipated
18 proceeds from the sale of the Mercer Megablock property.

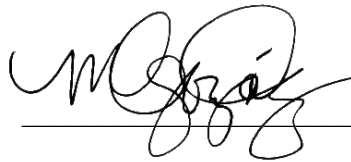
19 Section 2. To implement the loans authorized in Section 1 of this ordinance, the
20 following City Funds may be used as the source of cash loaned to the Transportation Fund
21 pursuant to Section 1:

- 22 A. Unrestricted Cumulative Reserve Fund (00164),
- 23 B. Municipal Arts Fund (12010), and

1 C. Coronavirus Local Fiscal Recovery Fund (14000).
2 Section 3. The Director of Finance may effectuate the loans authorized in this ordinance
3 by transferring cash to the Transportation Fund from one or more of the City Funds identified in
4 Section 2 of this ordinance, or by carrying the Transportation Fund in a negative cash position, in
5 a total amount not to exceed \$15,000,000 until no later than December 31, 2022, or until
6 repayment with proceeds from the sale of the Mercer Megablock, whichever is earlier. The
7 Director of Finance is further authorized to establish, and modify if necessary, from time to time,
8 a repayment plan and schedule.

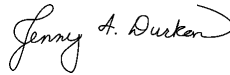
1 Section 4. This ordinance shall take effect and be in force 30 days after its approval by
2 the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it
3 shall take effect as provided by Seattle Municipal Code Section 1.04.020.

4 Passed by the City Council the 22nd day of November, 2021,
5 and signed by me in open session in authentication of its passage this 22nd day of
6 November, 2021.

7 

8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this 2nd day of December, 2021.

10 

11 Jenny A. Durkan, Mayor

12 Filed by me this 2nd day of December, 2021.

13 

14 Monica Martinez Simmons, City Clerk

15 (Seal)