Calvin Chow
Date: February 25, 2021
Version: 1

Amendment 1

to

CB 120006 – 2021 LTGO Bonds Amendment Legislation

Sponsor: CM Mosqueda

Add a new section clarifying the Council's intent that bonds issued in 2021 for repair of the West Seattle Bridge (as authorized by Ordinance 126161) may be issued as tax-exempt bonds.

Add new Section 4, as follows:

Section 4. **Intent to Reimburse.** The Council declares that the expression of its intent to reimburse the interfund loans for the repair of the West Seattle Bridge authorized by Ordinance 126161, passed on September 11, 2020, was not intended to limit the City's ability to utilize the lowest cost financing available for that project. The Council hereby clarifies and expressly states that the full amount of the interfund loan authorized by Ordinance 126161 was intended to be reimbursed from proceeds of general obligation bonds to be issued pursuant to this ordinance, but that its intent was not to limit the ability to finance the project on either a taxable or tax-exempt basis. For the sake of clarity, the City Council acknowledges, ratifies and confirms the declarations of intent to reimburse expenditures for this project set forth in the June 25, 2020 and August 11, 2020 declarations of the Director of Finance and clarifies that the Council intends that the full amount of up to $70 million authorized to be drawn on the interfund loans be eligible to be reimbursed by tax-exempt bond proceeds, to the extent permitted under applicable federal tax law and regulations, if deemed advisable by the Director of Finance.

Renumber subsequent sections accordingly.

Calvin Chow
Date: February 25, 2021
Version: 1

Effect:

The proposed amendment would clarify that up to $70 million of 2021 LTGO bonds issued to repay the interfund loan for the repair of the West Seattle Bridge (authorized by Ordinance 126161) may be issued as tax-exempt bonds.

The Department of Finance and Administrative Services anticipates that issuance of tax-exempt bonds would result in interest savings of approximately $5 million (between $200,000 and $300,000 annually for 20 years) over issuance of taxable bonds.