



Legislation Text

File #: CB 119035, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the financing of King Street Station third-floor tenant improvements; authorizing the loan of funds in the amount of \$2.8 million from the Municipal Arts Fund to the 2018 Multipurpose LTGO Bond Fund for bridge financing for design and construction of improvements.

WHEREAS, through Ordinance 125197, adopted November 21, 2016, the Council authorized \$1.8 million of limited tax general obligation (LTGO) bond financing in 2017 for tenant improvements at King Street Station, owned by the Seattle Department of Transportation (SDOT), on behalf of the Office of Arts and Culture (“Arts”); and

WHEREAS, the City Council provided \$1.8 million of appropriation authority in the 2017 Adopted Budget for the Seattle Department of Transportation Operating Fund for these tenant improvements financed by the authorized 2017 LTGO bond proceeds; and

WHEREAS, during the pre-design phase of the tenant improvements project (“Project”), it was revealed that the Project timeline would extend into mid-2018 and costs would be greater than anticipated in the 2017 Adopted Budget; and

WHEREAS, due to the timing of finalizing a revised Project budget and schedule, it was determined that 2017 LTGO bond proceeds would not be used for this Project, and that it would be more suitable to consider debt financing for this Project in 2018; and

WHEREAS, SDOT will require bridge financing to fund approved tenant improvement design and construction on behalf of Arts in advance of the LTGO bond issuance in 2018; and

WHEREAS, the Executive will submit requests for revised appropriations for expenditures in 2017 through the

2nd Quarter Supplemental Ordinance; and

WHEREAS, the Executive will submit requests for additional SDOT appropriations for expenditures in 2018, and additional LTGO bond authorization to support this project in the 2018 Proposed Budget and the 2018 LTGO bond ordinance submitted with the 2018 Proposed Budget, respectively; and

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

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

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

WHEREAS, there is sufficient cash in the Municipal Arts Fund to support an interfund loan of up to \$2.8 million through the end of 2018 and still meet regular budgeted operating needs; and

WHEREAS, funds loaned by the Municipal Arts Fund to the 2018 Multipurpose LTGO Bond Fund for the purpose of bridge financing of King Street Station third-floor tenant improvements are anticipated to be repaid from the proceeds of the sale of LTGO bonds in 2018; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of Finance is authorized to make a non-revolving loan of up to \$2.8 million principal and interest outstanding from the Municipal Arts Fund to the 2018 Multipurpose LTGO Bond Fund, created by Ordinance 125264, to provide bridge financing for tenant improvements at King Street Station that will be financed by limited tax general obligation (LTGO) bond proceeds, \$1.8 million of which were authorized by Ordinance 125197 and \$1 million of which will be requested in the 2018 LTGO bond ordinance. The loan is to be repaid no later than December 31, 2018, with interest on the loan at the rate of return of the City's Consolidated (Cash) Pool. The entire principal and interest amount of the loan drawn shall be repaid with proceeds from the sale of LTGO bonds issued in 2018.

Section 2. The Director of Finance may effectuate the loan authorized in Section 1 of this ordinance by transferring cash from the Municipal Arts Fund to the 2018 Multipurpose LTGO Bond Fund, or by carrying the 2018 Multipurpose LTGO Bond Fund in a negative cash position, in an amount not to exceed \$2.8 million until no later than December 31, 2018, or until repayment with proceeds from the sale of LTGO bonds in 2018, whichever is earlier.

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 _____ day of _____, 2017, and signed by me in open session in authentication of its passage this _____ day of _____, 2017.

President _____ of the City Council

Approved by me this _____ day of _____, 2017.

Edward B. Murray, Mayor

Filed by me this _____ day of _____, 2017.

Monica Martinez Simmons, City Clerk

(Seal)