



Legislation Text

File #: CB 119678, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to the financing of the Central Waterfront Improvement Program; authorizing the loan of funds in the amount of \$19,000,000 from the REET I Capital Project Fund to the Local Improvement District (LID) No. 6751 Fund (“Waterfront LID Fund”) to pay the costs of LID Improvements in anticipation of the issuance of LID Bonds.

WHEREAS, in 2010, the Seattle Department of Transportation conducted a preliminary feasibility analysis of special benefits for various program elements of the Alaskan Way Viaduct and Seawall Replacement Program, which supports a potential range of special benefits for a future Local Improvement District (LID); and

WHEREAS, in January 2019, Ordinance 125760, the City Council (“Council”) of The City of Seattle (“City”) established Local Improvement District No. 6751 of the City (interchangeably, “LID 6751” or the “Waterfront LID”), created the Local Improvement District No. 6751 Fund (“Waterfront LID Fund”) and authorized Interim Financing (including interfund loans) to pay for the costs of the LID Improvements in the anticipation of the issuance of LID Bonds; and

WHEREAS, funds loaned to the Central Waterfront Improvement Fund were previously used for costs eligible to be repaid with future LID Bond proceeds (“LID-eligible costs”) and for costs which are ineligible to be repaid with future LID Bond proceeds (all other costs); and

WHEREAS, pending approval, funds loaned to the Central Waterfront Improvement Fund will no longer be used for LID-eligible costs; 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 REET I Capital Project Fund to support an interfund loan of up to \$19,000,000 through December 31, 2021, and still meet regular budgeted operating needs; and

WHEREAS, funds lent from the REET I Capital Project Fund to the Waterfront LID Fund will be used only for payment of costs for the components of the Central Waterfront Improvement Program that are LID-eligible costs and are anticipated to be repaid from LID Bond proceeds; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. The Director of Finance is authorized to make a revolving loan of up to \$19,000,000 principal and interest outstanding from the REET I Capital Project Fund to the Local Improvement District No. 6751 Fund (“Waterfront LID Fund”), to provide financing to pay for the costs of the LID Improvements. The loan is to be repaid no later than December 31, 2021, 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 is intended to be repaid with LID Bond proceeds.

Section 2. The Director of Finance may effectuate the loan authorized in Section 1 of this ordinance by transferring cash from the REET I Capital Project Fund to the Waterfront LID Fund, or by carrying the Waterfront LID Fund in a negative cash position, in an amount not to exceed \$19,000,000 until no later than December 31, 2021, or until repayment with proceeds from the sale of LID Bonds, whichever is earlier. The Director of Finance is further authorized to establish, and modify if necessary from time to time, a repayment plan and schedule.

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 _____, 2019, and signed by me in open session in authentication of its passage this _____ day of _____, 2019.

President _____ of the City Council

Approved by me this _____ day of _____, 2019.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2019.

Monica Martinez Simmons, City Clerk

(Seal)