

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact:	CBO Contact:
Seattle Public Utilities	Bob Spencer	Akshay Iyengar

** Note that the Summary and Fiscal Note describes the version of the bill or resolution as introduced; final legislation including amendments may not be fully described.*

1. BILL SUMMARY

Legislation Title: AN ORDINANCE relating to acceptance of funding from non-City sources; authorizing the General Manager and CEO of Seattle Public Utilities to accept specified principal loans to partially finance costs related to the construction of the South Thornton Natural Drainage System Project; and ratifying and confirming certain prior acts.

Summary and Background of the Legislation:

This legislation would authorize Seattle Public Utilities to accept \$11,891,739 in funding from the Washington Department of Ecology to construct the South Thornton Natural Drainage System Project. The funding would come in two forms:

- \$8,918,804 in a low-interest loan at 1.6% interest over 30 years.
- \$2,972,935 in a forgivable principal loan which does not have to be repaid.

The South Thornton Natural Drainage Project would construct natural drainage systems at four sites in the south Thornton Creek basin. Bioretention cells would be built in the roadway shoulder, which will be filled with deep-rooted plants and spongy soils that temporarily hold and clean polluted stormwater from streets before it reaches the creek.

SPU will be partnering with the Seattle Department of Transportation to incorporate walkways into some of the streets that do not have formal sidewalks, aligning with community requests to install pedestrian improvements as a part of this project.

At 1.6%, the interest rate is substantially lower than SPU would pay for traditional tax-exempt bonds. Based on the May 2023 Drainage and Wastewater tax exempt bond issue, the comparable interest rate is 4.2%. The difference in interest savings, plus the nearly \$3.0 million forgivable component, creates savings of \$5.7 million for ratepayers over the 30-year life of the loan.

2. CAPITAL IMPROVEMENT PROGRAM

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

This funding would offset a portion of previously committed CIP bond funding for the project (C316083). The total project cost is \$20,968,150.

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

Does the legislation have other financial impacts to The City of Seattle that are not reflected in the above, including direct or indirect, short-term or long-term costs?

No

Are there financial costs or other impacts of *not* implementing the legislation?

Not accepting these funds would result in lost savings to ratepayers of approximately \$5.7 million over the 30-year life of the loan.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

Appropriations Notes: This funding would offset a portion of previously committed CIP bond funding for the project (C316083). The total project cost is \$20,968,150.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
SDOT requires sidewalks or walks to accompany the installation of these facilities in the ROW but funding will only reimburse elements required to convey or treat stormwater.
- b. Is a public hearing required for this legislation?
No.
- c. Is publication of notice with *The Daily Journal of Commerce* and/or *The Seattle Times* required for this legislation?
No.
- d. Does this legislation affect a piece of property?
No.
- e. Please describe any perceived implication for the principles of the Race and Social Justice Initiative. Does this legislation impact vulnerable or historically disadvantaged communities? What is the Language Access plan for any communications to the public?
This legislation does not affect the application of SPU's RSJI activities associated with the project. Project materials and language access will follow the Racial Equity Toolkit for Natural Drainage System projects.
- f. Climate Change Implications
 1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?
No.

- 2. 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.**

This project supports system resiliency in SPU’s drainage system that will provide capacity in the face of climate change.

- g. 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)?**

This funding offsets previously committed funds from the DWW budget allocated to CIP projects.

Summary Attachments (if any):

Summary Ex A – Draft Agreement with Ecology (WQC-2024 SeaPUD-0005)