

CITY OF SEATTLE
ORDINANCE 126653
COUNCIL BILL 120396

AN ORDINANCE relating to the financing of the Aquarium Expansion project; creating a fund for depositing proceeds of tax-exempt limited tax general obligation bonds in 2023; authorizing the loan of funds in the amount of \$20,000,000 from the REET I Capital Projects Fund to the 2023 Multipurpose LTGO Bond Fund for continuing the work on the “Ocean Pavilion” Aquarium expansion; amending Ordinance 126490, which adopted the 2022 Budget, including the 2022-2027 Capital Improvement Program (CIP); changing appropriations to Seattle Parks and Recreation; and revising project allocations and spending plans for certain projects in the 2022-2027 CIP; all by a 3/4 vote of the City Council.

WHEREAS, The City of Seattle (“City”) owns the Seattle Aquarium facility (“Aquarium”), located on Piers 59 and 60 along the Seattle Central Waterfront (“Waterfront”) and recognizes the importance of the Aquarium for its national and regional standing for scientific research, marine conservation education, civic engagement, and value as a visitor destination. The Seattle Aquarium Society (SEAS) has managed aspects of the Aquarium operations since the 1980s under a series of agreements with the City’s Parks and Recreation Department (SPR), and SEAS assumed full management responsibility in 2010; and

WHEREAS, in 2009, the City Council passed Ordinance 123205, authorizing SPR to enter into a long-term agreement with SEAS to operate and manage the Aquarium. The Operations and Management Agreement (OMA) required SEAS to prepare a master plan to guide investments in the physical development of the Aquarium and further required that the SEAS Master Plan be approved by the City Council by resolution. Under the OMA, new capital improvements that SEAS develops will be owned by the City, with SEAS owning all animals and maintaining and operating the facility, including providing animal care

1 and programming of the Aquarium. The OMA requires SEAS to coordinate its planning
2 and development of a future Master Plan with the Committee on Central Waterfront
3 Partnerships, and the Waterfront Planning parameters developed by the City Council.
4 Further, the OMA requires that the Master Plan be consistent with the City’s adopted
5 Alaskan Way and Seawall Replacement Program, especially as it concerns the seawall
6 replacement component of the program and the redesign of adjacent public spaces at
7 Waterfront Park and Piers 62/63; and

8 WHEREAS, in 2019, the City Council passed Ordinance 126015, authorizing a funding
9 agreement and a construction agreement between the City of Seattle and SEAS to provide
10 up to \$34 million for a new aquarium facility to be known as the Ocean Pavilion. Both
11 the Funding Agreement and Construction Agreement have been executed by the City and
12 SEAS; and

13 WHEREAS, construction of the Ocean Pavilion is expected to increase the Aquarium’s
14 attendance to 1.2 million visitors a year, and the City believes an expanded Aquarium
15 facility will better serve the needs of City residents and visitors and will be a significant
16 draw to anchor the north end of the future Waterfront Park; and

17 WHEREAS, due to the COVID-19 pandemic and subsequent regional and nationwide economic
18 conditions, fundraising for the Ocean Pavilion by SEAS has lagged behind initial
19 estimates, creating funding constraints for SEAS; and

20 WHEREAS, SEAS has requested an additional \$20 million of financial support in 2022 and
21 2023 to allow construction of the Ocean Pavilion to advance on pace with the City’s
22 Waterfront Program, while allowing SEAS additional time to advance their philanthropic
23 campaign; and

1 WHEREAS, in negotiating an additional \$20 million of financial support, the Parties understand
2 and agree that this funding shall be the City’s final contribution to the Ocean Pavilion;
3 and

4 WHEREAS, the design of the Ocean Pavilion and the City’s Overlook Walk project are
5 integrated in order to maximize benefits to the public and minimize construction impacts
6 and duration for all parties; and

7 WHEREAS, as part of the public benefits established in the earlier Funding Agreement, the
8 design of the Ocean Pavilion provides for public access and open space amenities as part
9 of the roof, elevator, and exterior stair connections to the Waterfront, which shall be open
10 and maintained as available to the public by SEAS; and

11 WHEREAS, it will be efficient and in the public interest to have the Ocean Pavilion building
12 infrastructure, exhibits and public access amenities all constructed as one project to be
13 delivered by SEAS; and

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

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

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

21 WHEREAS, there is sufficient cash in the REET I Capital Projects Fund to support an interfund
22 loan of up to \$20 million through December 31, 2023, and still meet regular budgeted
23 operating needs; and

1 WHEREAS, funds loaned by the REET I Capital Projects Fund to the 2023 Multipurpose LTGO
2 Bond Fund for bridge financing of the Aquarium Expansion project are anticipated to be
3 repaid from proceeds from the sale of tax-exempt LTGO Bonds, which is expected to be
4 finalized in 2023; NOW, THEREFORE,

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

6 Section 1. A new 2023 Multipurpose LTGO Bond Fund is created in the City Treasury,
7 into which the principal proceeds and any premium received from the sale and delivery of
8 limited tax general obligation bonds in 2023 shall be deposited for the purpose of paying all or
9 part of the costs of various elements of the City’s capital improvement program and other City
10 purposes approved by ordinance. The Fund shall receive earnings on its positive balances and
11 pay interest on its negative balances. The Director of Finance is authorized to create other
12 Accounts or Subaccounts as may be needed.

13 Section 2. The Director of Finance is authorized to make a non-revolving loan of up to
14 \$20 million principal and interest outstanding from the REET I Capital Projects Fund to the 2023
15 Multipurpose LTGO Bond Fund, created by Section 1 of this ordinance, to provide bridge
16 financing for expenditures related to the Aquarium Expansion project (MC-PR-21006) that will
17 be financed by authorized, tax-exempt limited tax general obligation (LTGO) bond proceeds.
18 The loan is to be repaid no later than December 31, 2023, with interest on the loan at the rate of
19 return of the City’s Consolidated Cash Pool. The entire principal and interest amount of the loan
20 drawn is intended to be repaid with proceeds from the future sale of tax-exempt LTGO bonds
21 issued in 2023.

22 Section 3. The Director of Finance may effectuate the loan authorized in Section 2 of this
23 ordinance by transferring cash from the REET I Capital Projects Fund to the 2023 Multipurpose

1 LTGO Bond Fund, or by carrying the 2023 Multipurpose LTGO Bond Fund in a negative cash
2 position, in an amount not to exceed \$20 million until no later than December 31, 2023, or until
3 repayment with proceeds from the sale of tax-exempt LTGO bonds in 2023, whichever is earlier.
4 The Director of Finance is further authorized to establish, and modify if necessary from time to
5 time, a repayment plan and schedule.

6 Section 4. Appropriations in the 2022 Adopted Budget and project allocations in the
7 2022-2027 Adopted Capital Improvement Program (CIP) for the following items are increased as
8 follows:

Item	Dept	Fund	Budget Summary Level/BCL Code	CIP Project Name/ID	CIP Project Appropriation Change
4.1	Seattle Parks and Recreation	2023 Multipurpose LTGO Bond Fund (37100)	Building for the Future (37100-BC-PR-2000)	Aquarium Expansion (MC-PR-21006)	\$20,000,000
Net Change					\$20,000,000

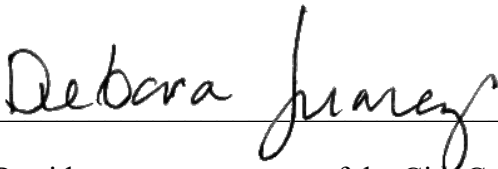
9 These modifications shall operate for the purposes of decreasing or increasing the bases
10 for the limit imposed by subsection 4(c) of Ordinance 126490.

11 The CIP Project page for this program is attached to this ordinance as Attachment A.

12 Section 5. The provisions of Sections 1, 2, 3 and 4 of this ordinance are contingent upon
13 the execution of the amendments to the Ocean Pavilion Funding Agreement and the Seattle
14 Aquarium Operations and Management Agreement authorized in Section 1 of the ordinance
15 introduced as Council Bill 120397.

1 Section 6. 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 a 3/4 vote of all the members of the City Council the 16th day of
5 August, 2022, and signed by me in open session in authentication of its
6 passage this 16th day of August, 2022.

7 
8 President _____ of the City Council

9 Approved / returned unsigned / vetoed this 18th day of August, 2022.

10 
11 Bruce A. Harrell, Mayor

12 Filed by me this 18th day of August, 2022.

13 
14 Elizabeth M. Adkisson, Interim City Clerk

15 (Seal)

16
17
18
19 Attachments:
20 Attachment A – Aquarium Expansion – CIP Project Page

Aquarium Expansion

Project No:	MC-PR-21006	BSL Code:	BC-PR-20000
Project Type:	Discrete	BSL Name:	Building For The Future
Project Category:	Rehabilitation or Restoration	Location:	1483 Alaskan WAY
Current Project Stage:	Stage 5 - Construction	Council District:	Council District 7
Start/End Date:	2015 - 2023	Neighborhood District:	Downtown
Total Project Cost:	\$54,040	Urban Village:	Downtown

The Seattle Aquarium is owned by Seattle Parks and Recreation and operated by the non-profit Seattle Aquarium Society (SEAS). SEAS is planning a major expansion to the Aquarium's existing footprint to add new programming and visitor capacity. This project will provide a new Ocean Pavilion that will integrate with improvements made by The Office of the Waterfront along the Central Waterfront. SEAS also intends to make improvements to piers 59 and 60 to improve exhibit space and operations efficiency. Design and construction of the project is led by SEAS and coordinated with City investments by Seattle Parks and Recreation and Office of the Waterfront. This project is part of the overall waterfront improvement program and appropriates City matching funds for SEAS' project. The City has committed to provided up to \$34 million to SEAS for design and construction through a funding agreement authorized by City Council in 2019 (Ordinance 126015). In 2022, the City and SEAS amended the Funding Agreement to include an additional \$20 million in Ocean Pavilion funding. The amended Funding Agreement includes an amendment to the existing Operation and Management Agreement (OMA) with Seattle Parks and Recreation, which establishes an annual Enhanced Facility Fee starting in 2023 through the remainder of the OMA (expiring in 2030). The 2022 appropriation out of the 2023 Multipurpose LTGO Bond Fund is supported by an Interfund Loan, to be repaid after issuance of the 2023 LTGO bonds.

Resources	LTD Actuals	2021 Revised	2022	2023	2024	2025	2026	2027	Total
LTGO Bond Proceeds	-	9,000	31,975	4,000	-	-	-	-	44,975
Real Estate Excise Tax I	2,167	2,458	-	-	-	-	-	-	4,625
Real Estate Excise Tax II	4,440	-	-	-	-	-	-	-	4,440
Total:	6,607	11,458	31,975	4,000	-	-	-	-	54,040
Fund Appropriations / Allocations?	LTD Actuals	2021 Revised	2022	2023	2024	2025	2026	2027	Total
2021 Taxable LTGO Bond Fund	-	9,000	-	-	-	-	-	-	9,000
2022 Multipurpose LTGO Bond Fund	-	-	11,975	-	-	-	-	-	11,975
2023 LTGO Taxable Bond Fund	-	-	-	4,000	-	-	-	-	4,000
2023 Multipurpose LTGO Bond Fund	-	-	20,000	-	-	-	-	-	20,000
REET I Capital Fund	2,167	2,458	-	-	-	-	-	-	4,625
REET II Capital Fund	4,440	-	-	-	-	-	-	-	4,440
Total:	6,607	11,458	31,975	4,000	-	-	-	-	54,040

O&M Impacts: NA

Funds are appropriated through the Adopted Budget at the Budget Summary Level. All Amounts shown above are in thousands of dollars