

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
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** 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 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.

Summary and Background of the Legislation:

The Seattle Aquarium is owned by the City of Seattle and operated by the non-profit Seattle Aquarium Society (SEAS). SEAS is constructing a major expansion to the Aquarium's existing footprint to add new programming and visitor capacity. The Seattle Aquarium Ocean Pavilion Project is an integral component of the overall Central Waterfront Program. In 2019, SEAS and the City entered into an Ocean Pavilion Funding Agreement (Funding Agreement) in which the City agreed to commit \$34 million towards the capital costs of the Ocean Pavilion project and SEAS agreed to secure the balance of funds necessary through other government resources and private contributions.

Design and construction of the project is led by SEAS and coordinated with City investments by Seattle Parks and Recreation (SPR) and the Office of the Waterfront. Construction has been carefully coordinated with the Main Corridor and Overlook Walk projects. Project coordination includes sequenced construction of key components including shared walls, rooftops, staging areas and shifts in traffic flows. The current construction schedule allows for the completion of all major elements of the Seattle Waterfront Program by 2025.

SEAS is facing several industry-wide challenges including supply chain uncertainty, and labor and material cost increases, as well as delays in the timing of major gifts and smaller-than-expected contributions from other public entities as part of their capital campaign. These challenges have combined to increase the project cost and create cash flow timing problems for the Ocean Pavilion project, which is already under construction.

SEAS has requested the City provide an additional \$20 million in funding in 2022 to assist with their cash flow needs. SEAS would reimburse the City by the end of June 2030, through the addition of a “Enhanced Facility Fee” schedule in the existing Aquarium Operations and Management Agreement. Because SEAS is requesting the funding in 2022, this strategy requires an Interfund Loan in 2022.

This interfund loan will provide bridge financing for the Seattle Aquarium “Ocean Pavilion” project through the Aquarium Expansion CIP Project (MC-PR-21006). The City is increasing its contribution to the Aquarium Expansion project by \$20 million in 2023 LTGO bond financing. The loan will be repaid in full when the City receives 2023 LTGO bond proceeds, tentatively scheduled for May or June 2023.

2. CAPITAL IMPROVEMENT PROGRAM

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

Project Name:	Project I.D.:	Project Location:	Start Date:	End Date:	Total Project Cost Through 2027:
Aquarium Expansion	MC-PR-21006	1483 Alaskan Way	2015	2023	\$54,040,000

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? X Yes No

Appropriation change (\$):	General Fund \$		Other \$	
	2022	2023	2022	2023
			\$20,000,000	

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?

Indirect financial impacts are possible if payments related to other funding agreements are not paid in a timely manner by SEAS. The interfund loan will facilitate financing Seattle Aquarium’s “Ocean Pavilion” costs in the short term, with an addition of payments to the City by SEAS of “Enhanced Facility” Fees that are being established through an amendment to the Operations & Management Agreement between the City and SEAS. It would also ensure that Ocean Pavilion construction is not delayed, helping keep the City’s Overlook Walk project on schedule, reducing the likelihood of cost increases.

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

Delays to the construction of the Aquarium’s Ocean Pavilion could potentially create schedule and budget risk for the delivery of the Waterfront’s Overlook Walk project (MC-TR-C073) due to the high degree of integration between the projects.

3.a. Appropriations

X This legislation adds, changes, or deletes appropriations.

Fund Name and Number	Dept	Budget Control Level Name/##*	2022 Appropriation Change	2023 Estimated Appropriation Change
2023 Multipurpose LTGO Bond Fund / 37100	Seattle Parks and Recreation	BC-PR-20000 - Building For The Future - CIP	\$20,000,000	\$0
TOTAL			\$20,000,000	

*See budget book to obtain the appropriate Budget Control Level for your department.

Is this change one-time or ongoing?

One time.

4. OTHER IMPLICATIONS

a. Does this legislation affect any departments besides the originating department?

Yes, SDOT and OWCP due to the connection with project delivery of the Overlook Walk (MC-TR-C073).

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?

No direct implications, however, our existing funding agreement with the Aquarium for the Ocean Pavilion requires SEAS to have a community workforce agreement consistent with Project Hire and to provide programs for disadvantaged youth. These terms would be in place for this additional funding as well.

f. Climate Change Implications

1. Emissions: Is this legislation likely to increase or decrease carbon emissions in a material way?

No, not likely to cause an increase or decrease. This will allow SEAS construction plans to continue as planned.

- 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.**

Not directly, however supporting the Ocean Pavilion’s construction will help the Aquarium deliver its message about climate impacts on the ocean to the public.

- 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)?**

Not a new initiative. The long-term measurable goals are to improve the Waterfront and increase the economic vitality of downtown and the City overall by enhancing the Aquarium’s infrastructure and ability to deliver their future programming.

Summary Attachments:

N/A