

CITY OF SEATTLE
ORDINANCE 127136
COUNCIL BILL 120885

AN ORDINANCE relating to the financing of the Seattle Department of Transportation; authorizing the extension of the loan of funds in the amount of \$25,000,000 from the Information Technology Fund to the Transportation Fund to support essential transportation programs as authorized in Ordinance 126227; and ratifying and confirming certain prior acts.

WHEREAS, Ordinance 126227, passed November 23, 2020, authorized an interfund loan in the amount of \$25,000,000 from the Information Technology Fund to the Transportation Fund, with the loan to be repaid no later than December 31, 2024; and

WHEREAS, the COVID-19 pandemic and associated decline in revenues related to parking and transportation resulted in revenue loss to the Transportation Fund and, unlike many City programs, such losses in revenue were not eligible to be back-filled with federal pandemic relief dollars; and

WHEREAS, the parking and transportation-related revenue that supports the Transportation Fund continues to be impacted following the COVID-19 pandemic and required the Seattle Department of Transportation (SDOT) to request a second interfund loan that was authorized by Council in Ordinance 124639 in 2021 and that was repaid in 2022; and

WHEREAS, the extent of revenue loss requires more time for the Transportation Fund to replenish stabilization reserves than was anticipated at the time that the loan was authorized to guard against future unexpected fiscal cycles; and

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

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

3 WHEREAS, regarding use of the proceeds of this interfund loan for operating costs, the Director
4 of Finance and City Budget Director have determined that there is no viable alternative
5 available for advancing a core City objective to deliver SDOT's essential transportation
6 program; and

7 WHEREAS, the Director of Finance and the City Budget Director have determined that City
8 Council may authorize this interfund loan extension request consistent with the Debt
9 Management Policies adopted by Resolution 31553 as a necessary and advisable
10 departure from the City's typical practice of limiting interfund loans to three years; and

11 WHEREAS, in this case, the intervention of the COVID-19 pandemic and, in particular, the
12 unpredictability of the severity and duration of its effects on the transportation and
13 parking-related revenues, make it necessary and advisable to extend the interfund loan for
14 an additional 12-month period during which SDOT will complete repayment of this loan
15 and work with other City departments to identify strategies to avoid similar situations for
16 the Transportation Fund in the future; and

17 WHEREAS, in the event that the loan is not able to be fully repaid within the 12-month period
18 extension authorized in this ordinance, SDOT may seek an additional extension from the
19 City Council by ordinance if no other alternatives exist based on information available
20 regarding any remaining balance of the loan still outstanding at the conclusion of the
21 term; and

1 WHEREAS, there is sufficient cash in the Information Technology Fund to extend an interfund
2 loan of \$25 million through December 31, 2025 and still meet regular budgeted operating
3 needs; and

4 WHEREAS, funds loaned by the Information Technology Fund to the Transportation Fund to
5 ensure essential transportation program needs are met are anticipated to be repaid from
6 the future Transportation Fund balances; NOW, THEREFORE,

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

8 Section 1. The City Council finds that there is no viable alternative to meet a core City
9 objective, and therefore the Director of Finance is authorized to extend the repayment period of
10 the revolving loan authorized in Ordinance 126227 from December 31, 2024 to December 31,
11 2025. The loan is to be repaid no later than December 31, 2025, with interest on the loan at the
12 rate of return of the City's Consolidated Cash Pool. The entire principal and interest amount of
13 the loan drawn is intended to be repaid with revenues associated with transportation operations.
14 The Director of Finance is further authorized to establish, and modify if necessary from time to
15 time, a repayment plan and schedule.

16 Section 2. Any act consistent with the authority of this ordinance taken after its passage
17 and prior to its effective date is ratified and confirmed.

Section 3. This ordinance shall take effect as provided by Seattle Municipal Code
Sections 1.04.020 and 1.04.070.

Passed by the City Council the 21st day of November, 2024,
and signed by me in open session in authentication of its passage this 21st day of
November, 2024.



President _____ of the City Council

☒ Approved / ☐ returned unsigned / ☐ vetoed this 26th day of November, 2024.



Bruce A. Harrell, Mayor

Filed by me this 27th day of November, 2024.



Scheereen Dedman, City Clerk

(Seal)