

**SUMMARY and FISCAL NOTE\***

| <b>Department:</b>     | <b>Dept. Contact:</b> | <b>CBO Contact:</b> |
|------------------------|-----------------------|---------------------|
| Office of City Finance | Kristi Beattie        | Caleb Wagenaar      |

*\* 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 contracting indebtedness; authorizing and providing for the issuance and sale of limited tax general obligation bonds to pay or reimburse all or part of the costs of various elements of the City’s capital improvement program and for other City purposes approved by ordinance and to pay the costs of issuance of the bonds; providing parameters for the bond sale terms including conditions, covenants, and other sale terms; creating the 2024 Multipurpose LTGO Bond Fund; amending Ordinance 123751 (as previously amended by Ordinances 124341 and 124637), Ordinance 124341, Ordinance 124637, Ordinance 124924 (as previously amended by Ordinance 125986), Ordinance 125456, Ordinance 125715 (as previously amended by Ordinance 125986), and Ordinance 126219 (as previously amended by Ordinances 126288 and 126479); and ratifying and confirming certain prior acts.

**Summary and Background of the Legislation:** This legislation provides the legal authorization to issue up to \$84.2 million of Limited Tax General Obligation (LTGO) Bonds, as assumed in the 2024 Budget and the 2024-2029 Capital Improvement Program (CIP).

Although the Budget and CIP make specific assumptions about the use of debt financing for a certain share of the CIP, separate authorization for the issuance of bonds is technically required.

This bond sale is anticipated to occur in mid-2024. The bond proceeds will support a share of the City’s general government capital program for about 12 months. The bond sizing is based on the proposed budget and current cash-flow projections. The bond proceeds will be used to pay or reimburse all or part of the costs of the projects supported by the bond issuance (which may include capitalized interest) and pay issuance costs.

The City’s CIP identifies debt financing for certain projects and the City’s budget appropriates the associated debt service. The following table provides details of this bond issue.

| <i>Project</i>                                     | Approximate<br>Project Fund<br>Deposit | Approx.<br>Par<br>Amount (1) | Max.<br>Term | Approx.<br>Rate | Debt<br>Service<br>Proposed<br>2024 | Debt<br>Service<br>Estimated<br>2025 | Debt Service<br>Funding Source |
|--|--|------------------------------|--------------|-----------------|-------------------------------------|--------------------------------------|--------------------------------|
| Fire Station 31                                    | 26,010                                 | 26,790                       | 20           | 5.25%           | 1,406                               | 2,196                                | REET I                         |
| Seattle Municipal Tower Elevator<br>Rehab          | 6,334                                  | 6,524                        | 10           | 4.50%           | 294                                 | 824                                  | FAS Rates                      |
| Human Capital Management<br>System                 | 4,019                                  | 4,140                        | 8            | 4.75%           | 197                                 | 634                                  | FAS Rates                      |
| Electrical Infrastructure Upgrades                 | 1,000                                  | 1,030                        | 20           | 5.25%           | 54                                  | 84                                   | Payroll Expense Tax            |
| Computing Services Architecture                    | 3,992                                  | 4,112                        | 8            | 4.75%           | 195                                 | 630                                  | IT Rates                       |
| Data and Telephone<br>Infrastructure               | 6,921                                  | 7,129                        | 8            | 4.75%           | 339                                 | 1,092                                | IT Rates                       |
| Criminal Justice Information<br>System Projects    | 4,710                                  | 4,851                        | 8            | 4.75%           | 230                                 | 743                                  | General Fund                   |
| Alaskan Way Main Corridor                          | 25,713                                 | 26,484                       | 20           | 5.25%           | 1,390                               | 2,170                                | Commercial Parking<br>Tax      |
| Overlook Walk and East-West<br>Connections Project | 3,000                                  | 3,090                        | 20           | 5.25%           | 162                                 | 253                                  | Commercial Parking<br>Tax      |
| <b>Total</b>                                       | <b>81,699</b>                          | <b>84,150</b>                |              |                 | <b>4,268</b>                        | <b>8,627</b>                         |                                |

(1) Includes 3% for costs of issuance and pricing adjustments

## 2. OTHER IMPLICATIONS

- a. **Does this legislation affect any departments besides the originating department?**  
 The Office of City Finance and various operating departments with projects being financed by this bond issue.
- 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?**  
 N/A.
- 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.**

N/A.

- 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)?**

N/A.