

2023 Seattle City Council Budget Action

Council Budget Action: Agenda

Tab	Action	Option	Version
CEN	903	B	001-2023

Budget Action Title: Reduce proposed funding for the Memorial Stadium Redevelopment CIP projects by \$4.3 million REET I (2023) and \$4.3 million REET I (2024) in CEN; and add \$10.3 million LTGO Bond funding (2024)

Ongoing: No Has Budget Proviso: No

Has CIP Amendment: Yes Has Attachment: Yes

Primary Sponsor: Budget Committee

Council Members:

Staff Analyst: Eric McConaghy

Council Bill or Resolution:

Date		Total	LH	TM	KS	AP	DJ	DS	AL	BC	SN
	Yes	0									
	No	0									
	Abstain	0									
	Absent	0									

Summary of Dollar Effect

See the following pages for detailed technical information

	2023 Increase (Decrease)	2024 Increase (Decrease)
Other Funds		
REET I Capital Fund (30010)		
Revenues	\$0	\$0
Expenditures	\$(4,280,000)	\$(4,279,000)
Net Balance Effect	\$4,280,000	\$4,279,000
2024 LTGO Taxable Bond Fund (37210)		
Revenues	\$0	\$10,300,000
Expenditures	\$0	\$10,300,000
Net Balance Effect	\$0	\$0
2025 LTGO Taxable Bond Fund (37310)		
Revenues	\$0	\$0
Expenditures	\$0	\$0
Net Balance Effect	\$0	\$0

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Total Budget Balance Effect	\$4,280,000	\$4,279,000
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Budget Action Description:

This Council Budget Action (CBA) would reduce proposed funding for the Memorial Stadium Redevelopment project by \$4.3 million Real Estate Excise Tax I (REET I) in 2023 and \$4.3 million REET I in 2024 in Seattle Center (CEN), and add \$10.3 million Limited Tax General Obligation (LTGO) Bond funding in 2024.

This CBA would amend the 2023-2028 Proposed Capital Improvement Program (CIP) Memorial Stadium Redevelopment (MC-SC-S9505) project and the Memorial Stadium Redevelopment – Debt Service (MC-SC-S9506) project as follows:

- 1) Reduce the proposed \$5 million REET I cash funding to \$720,000 REET I in 2023;
- 2) Remove entirely the proposed \$5 million REET I cash funding in 2024;
- 3) Remove entirely the proposed \$10 million REET I cash funding in 2025;
- 4) Provide \$20 million Limited Tax General Obligation (LTGO) Bond funding in 2024, instead of the proposed \$10 million in 2024 and \$10 million in 2025;
- 5) Increase the LTGO bond proceeds to pay the cost of debt issuance by \$300,000 in 2024;
- 6) Increase the REET I funding to pay LTGO debt service from \$721,000 to \$1.4 million in 2024; and
- 7) Increase the REET I funding to pay LTGO debt service from \$1.7 million to \$1.9 million in 2025.

The impact of this CBA on the Memorial Stadium Redevelopment CIP page is shown in Attachment A. The impact on the Memorial Stadium Redevelopment – Debt Service CIP page is shown in Attachment B.

The revenue forecast adopted by the Forecast Council on November 2, 2022, projects a reduction in anticipated revenues compared to the revenue forecast that was used to develop the Mayor's 2023-2024 Proposed Budget. This updated forecast reduces the resources available to balance the 2023-2024 Proposed Budget, requiring a reduction in proposed expenditures. This CBA would help address the decreased revenues and support other Council priorities.

Seattle Public Schools (SPS) owns the 75-year-old Memorial Stadium which is located on land deeded by the City of Seattle. Seattle voters approved the Buildings, Technology, and Academics/Athletics Capital Levy V (BTA V) in 2022 that includes \$66.5 million to replace Memorial Stadium with a basic student athletic stadium. In 2021, SPS and the City signed a letter of intent to collaborate on the redevelopment of Memorial Stadium into an enhanced stadium with an estimated cost of \$200 to \$250 million. The planning assumes the difference between the City and SPS's combined contributions and the actual cost of the enhanced stadium would be paid with funds from the County, State, philanthropy and private investors. The Council will likely consider proposals for moving forward with the project early next year.

Budget Action Transactions

#	Transaction Description	Position Title	Number of Positions	FTE	Dept	BSL	Fund	Year	Revenue Amount	Expenditure Amount
1	Add debt service for LTGO bonds to support Memorial Stadium redevelopment capital		0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	30010 - REET I Capital Fund	2024	\$0	\$1,442,000

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#	Description	0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	30010 - REET I Capital Fund	2023	\$0	\$720,000	
2	Add funding for Memorial Stadium Redevelopment capital expense		0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	30010 - REET I Capital Fund	2023	\$0	\$720,000
3	Remove debt service for LTGO bonds sold to support Memorial Stadium Redevelopment capital expense		0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	30010 - REET I Capital Fund	2024	\$0	\$(721,000)
4	Remove funding for Memorial Stadium Redevelopment capital expense		0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	30010 - REET I Capital Fund	2023	\$0	\$(5,000,000)
5	Remove funding for Memorial Stadium Redevelopment capital expense		0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	30010 - REET I Capital Fund	2024	\$0	\$(5,000,000)
6	Add 2024 LTGO Bond funding for Memorial Stadium Redevelopment capital expense backed by REET I		0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	37210 - 2024 LTGO Taxable Bond Fund	2024	\$0	\$10,000,000
7	Increase revenue from 2024 LTGO bonds		0	0	CEN - SC000	CEN - BC-SC-S03P01 - Building and Campus Improvements	37210 - 2024 LTGO Taxable Bond Fund	2024	\$10,000,000	\$0
8	Increase appropriation for cost of bond issuance		0	0	FAS - FA000	FAS - BO-FA-DEBTISS-L - Debt Issuance Cost - LTGO	37210 - 2024 LTGO Taxable Bond Fund	2024	\$0	\$300,000
9	Increase revenue from bond issuance		0	0	FAS - FA000	FAS - BO-FA-DEBTISS-L - Debt Issuance Cost - LTGO	37210 - 2024 LTGO Taxable Bond Fund	2024	\$300,000	\$0