



SEATTLE CITY COUNCIL

Finance and Housing Committee

Agenda

Tuesday, March 2, 2021

9:30 AM

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or
Seattle Channel online.

Teresa Mosqueda, Chair
Lisa Herbold, Vice-Chair
M. Lorena González, Member
Andrew J. Lewis, Member
Dan Strauss, Member
Tammy J. Morales, Alternate

Chair Info: 206-684-8808; Teresa.Mosqueda@seattle.gov

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<http://seattle.gov/cityclerk/accommodations>.



SEATTLE CITY COUNCIL
Finance and Housing Committee
Agenda
March 2, 2021 - 9:30 AM

Meeting Location:

Remote Meeting. Call 253-215-8782; Meeting ID: 586 416 9164; or Seattle Channel online.

Committee Website:

<http://www.seattle.gov/council/committees/finance-and-housing>

This meeting also constitutes a meeting of the City Council, provided that the meeting shall be conducted as a committee meeting under the Council Rules and Procedures, and Council action shall be limited to committee business.

In-person attendance is currently prohibited per Washington State Governor's Proclamation 20-28.15, until the COVID-19 State of Emergency is terminated or Proclamation 20-28 is rescinded by the Governor or State legislature. Meeting participation is limited to access by telephone conference line and online by the Seattle Channel.

Register online to speak during the Public Comment period at the 9:30 a.m. Finance and Housing Committee meeting at <http://www.seattle.gov/council/committees/public-comment>.

Online registration to speak at the Finance and Housing Committee meeting will begin two hours before the 9:30 a.m. meeting start time, and registration will end at the conclusion of the Public Comment period during the meeting. Speakers must be registered in order to be recognized by the Chair.

Submit written comments to Councilmember Mosqueda at Teresa.Mosqueda@seattle.gov

Sign-up to provide Public Comment at the meeting at <http://www.seattle.gov/council/committees/public-comment>

Watch live streaming video of the meeting at <http://www.seattle.gov/council/watch-council-live>

Listen to the meeting by calling the Council Chamber Listen Line at 253-215-8782 Meeting ID: 586 416 9164
One Tap Mobile No. US: +12532158782,,5864169164#

Please Note: Times listed are estimated

A. Call To Order

B. Approval of the Agenda

C. Public Comment

D. Items of Business

1. [CB 120006](#) **AN ORDINANCE** relating to contracting indebtedness; amending Ordinance 126219; and ratifying and confirming certain prior acts.

Attachments: [Ex A – Amended Exhibit A to Ordinance 126219](#)

Supporting

Documents: [Summary and Fiscal Note](#)

[Central Staff Memo](#)

[Presentation](#)

Briefing, Discussion, and Possible Vote

Presenters: Robert Nellams, Executive Director, and Tom Israel, Financial Director, Seattle Center; Brian Goodnight, Council Central Staff

2. [Res 31991](#) **A RESOLUTION** establishing a Watch List of large, complex, discrete capital projects that will require enhanced quarterly monitoring reports for the 2021 calendar year.

Supporting

Documents: [Summary and Fiscal Note](#)

[Memo - Capital Oversight 2021 Watchlist](#)

Briefing, Discussion, and Possible Vote

Presenter: Dan Eder, Council Central Staff

3. Federal Funding and Council Priorities

Briefing and Discussion

Presenters: Aly Pennucci, Tom Mikesell, and Yolanda Ho, Council Central Staff

4. Hotel Assistance Update

Briefing and Discussion

Presenter: Jeff Simms, Council Central Staff

E. Adjournment



Legislation Text

File #: CB 120006, Version: 1

CITY OF SEATTLE

ORDINANCE _____

COUNCIL BILL _____

AN ORDINANCE relating to contracting indebtedness; amending Ordinance 126219; and ratifying and confirming certain prior acts.

WHEREAS, The City of Seattle, Washington (the “City”) has determined that it is in its best interest to authorize the financing of certain improvements at the Seattle Center as part of the previously authorized general obligation bond issuance for 2021; and

WHEREAS, it is therefore necessary to amend the description of capital projects identified in Exhibit A that was attached to Ordinance 126219 and to adjust the maximum principal amount of bonds authorized to be issued to accommodate this additional project; NOW, THEREFORE,

BE IT ORDAINED BY THE CITY OF SEATTLE AS FOLLOWS:

Section 1. **Amendments to Section 4 of Ordinance 126219.** Section 4 of Ordinance 126219 is amended as follows:

Section 4. **Appointment of Designated Representative; Bond Sale Terms.**

(a) **Designated Representative.** The Director of Finance is appointed to serve as the City’s designated representative in connection with the issuance and sale of the Bonds in accordance with RCW 39.46.040(2) and this ordinance.

(b) **Parameters for Bond Sale Terms.** The Director of Finance is authorized to approve on behalf of the City Bond Sale Terms for the sale of the Bonds in one or more Series and, in connection with each such sale, to execute a Bond Purchase Contract (or, in the case of a competitive

sale, a Pricing Certificate) confirming the Bond Sale Terms and such related agreements as may be necessary or desirable, consistent with the following parameters:

(i) **Maximum Principal Amount.** The maximum aggregate principal amount of all Series of the Bonds authorized by this ordinance may not exceed (~~(\$212.7)~~)\$221 million.

(ii) **Date or Dates.** Each Bond shall be dated its Issue Date, as determined by the Director of Finance, which Issue Date may not be later than December 31, 2023.

(iii) **Denominations.** The Bonds shall be issued in Authorized Denominations.

(iv) **Interest Rate(s).** Each Bond shall bear interest from its Issue Date or from the most recent date to which interest has been paid or duly provided, unless otherwise provided in the applicable Bond Documents. One or more rates of interest shall be established for each maturity of each Series of the Bonds, which rate or rates may be fixed or variable. The net interest cost for any fixed rate Series may not exceed a rate of 10% per annum.

(v) **Payment Dates.** Interest shall be payable on dates acceptable to the Director of Finance. Principal shall be payable on dates acceptable to the Director of Finance, which shall include payment at the maturity of each Bond, in mandatory redemption installments applicable to Term Bonds, and otherwise in accordance with any redemption or tender provisions set forth in the Bond Documents.

(vi) **Final Maturity.** Each Bond shall mature no later than 31 years after its Issue Date.

(vii) **Redemption Prior to Maturity.** The Bond Sale Terms may include redemption provisions, as determined by the Director of Finance, consistent with Section 7 and subject to the following:

(A) **Optional Redemption.** The Director of Finance may designate

any Bond as being subject to optional redemption prior to its maturity. Any Tax-Exempt Bond that is subject to optional redemption prior to maturity must be callable on at least one or more dates occurring not more than 10½ years after the Issue Date, consistent with Section 7(a).

(B) **Mandatory Redemption.** The Director of Finance may designate any Bond as a Term Bond, subject to mandatory redemption prior to its maturity in mandatory redemption installment payments of principal, consistent with Section 7(b).

(C) **Extraordinary Redemption.** The Director of Finance may designate any Bond as subject to extraordinary optional redemption or extraordinary mandatory redemption upon the occurrence of an extraordinary event, as such event or events may be set forth in the applicable Bond Documents, consistent with Section 7(c).

(viii) **Price.** The Director of Finance may approve in the Bond Sale Terms an aggregate purchase price for each Series of the Bonds that is, in his or her judgment, the price that produces the most advantageous borrowing cost for the City for that Series consistent with the parameters set forth herein and in any applicable bid documents.

(ix) **Other Terms and Conditions.**

(A) **Debt Capacity and Limitations.** A Series of the Bonds may not be issued if it would cause the indebtedness of the City to exceed the City's legal debt capacity on the Issue Date of such Series.

(B) **Reasonably Expected Life.** As of the Issue Date of each Series, the Director of Finance must find to his or her satisfaction that the average expected life of the capital facilities to be financed with the proceeds (or allocable share of proceeds) of that Series exceeds the weighted average maturity of such Series (or share thereof allocated to financing those capital facilities).

(C) **Additional Terms, Conditions, and Agreements.** The Bond

Sale Terms for any Series may provide for bond insurance or for any other credit enhancement as the Director of Finance may find necessary or desirable. The Bond Sale Terms may include such additional terms, conditions, and covenants as may be necessary or desirable, including but not limited to: restrictions on investment of Bond proceeds and pledged funds (including any escrow established for the defeasance of any of the Bonds), provisions for the conversion of interest rate modes, provisions for the reimbursement of a credit enhancement provider, and requirements to give notice to or obtain the consent of a credit enhancement provider. The Director of Finance is authorized to execute, on behalf of the City, such additional certificates and agreements as may be necessary or desirable to reflect such terms, conditions, and covenants.

(D) **Tax Status of the Bonds.** The Director of Finance may designate any Series of the Bonds as Tax-Exempt Bonds, Taxable Bonds, or Tax Credit Subsidy Bonds, consistent with Section 13.

Section 2. **Amendment of Exhibit A to Ordinance 126219.** Ordinance 126219 authorized issuance of limited tax general obligation bonds of the City (the “2021 Bonds”), and provided that proceeds of the 2021 Bonds would be used to carry out the costs of projects specified in Exhibit A to Ordinance 126219, as well as other projects authorized by ordinance. Exhibit A to Ordinance 126219 is amended to read as set forth in Exhibit A, attached hereto and by this reference made a part hereof.

Section 3. **General Authorization.** In addition to the specific authorizations in this ordinance, the Mayor and the Director of Finance and each of the other appropriate officers of the City are each authorized and directed to do everything as in their judgment may be necessary, appropriate, or desirable in order to carry out the terms and provisions of, and complete the transactions contemplated by, this ordinance.

Section 4. **Severability.** The provisions of this ordinance are declared to be separate and severable. If a court of competent jurisdiction, all appeals having been exhausted or all appeal periods having run, finds any provision of this ordinance to be invalid or unenforceable as to any person or circumstance, such offending

provision shall, if feasible, be deemed to be modified to be within the limits of enforceability or validity. However, if the offending provision cannot be so modified, it shall be null and void with respect to the particular person or circumstance, and all other provisions of this ordinance in all other respects, and the offending provision with respect to all other persons and all other circumstances, shall remain valid and enforceable.

Section 5. **Ratification of Prior Acts.** Any action taken after passage of this ordinance but prior to its effective date that is consistent with the authority of this ordinance, is ratified, approved and confirmed.

Section 6. **Section Headings.** Section headings in this ordinance are used for convenience only and shall not constitute a substantive portion of this ordinance.

Section 7. **Effective Date.** This ordinance shall take effect and be in force 30 days after its approval by the Mayor, but if not approved and returned by the Mayor within ten days after presentation, it shall take effect as provided by Seattle Municipal Code Section 1.04.020.

Passed by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its passage this ____ day of _____, 2021.

President _____ of the City Council

Approved / returned unsigned / vetoed this _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

Exhibits
Exhibit A - Amended Exhibit A to Ordinance 126219

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
FAS/CEN	Michael Van Dyck 206.619.0393	William Chen 206.233.7274

* 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; amending Ordinance 126219; and ratifying and confirming certain prior acts.

Summary and background of the Legislation: This legislation amends the 2021 multipurpose LTGO bond ordinance by adding \$8 million to provide financing for electronic signage and reader boards at the Seattle Center. [*Please see Project MC-SC-S9118 in the City's Adopted Capital Improvement Program.*] The bonds for this project will be issued for a term of 10 years. The annual debt service is expected to be about \$900,000, of which \$225,000 would come from Seattle Center with ArenaCo paying the rest.

This project involves developing a comprehensive signage infrastructure throughout the Seattle Center campus consistent with the signage program approved for Climate Pledge Arena. The plan includes replacement or upgrading of existing signs and the addition of new signs, and includes the installation of digital and variable message signage, wayfinding kiosks, upgrading of the reader boards at key locations along the campus exterior along with accessory lighting fixtures. These installations are on city owned property, or in a few cases, on land for which the department has a joint use agreement with the landowner or tenant, and entirely outside the Arena leased footprint.

The overall project will include electrical distribution and conduit infrastructure to provide power and connectivity. In addition to providing event and directional information, the system will have the capability to provide sponsor recognition, resident organization acknowledgements and public safety messaging.

The signs to be upgraded include:

- Campus reader boards at 5th/Mercer and on Denny near Broad St.
- Facility reader boards for McCaw Hall, Seattle Rep and Cornish Playhouse on Mercer St.
- Wayfinding “totems” (upright directional signs)
- Information kiosks
- Parking garage signage
- Digital pole banner signs

The Transaction Agreement documents between the City and ArenaCo anticipated that a comprehensive new signage program would be needed to help integrate the redeveloped Arena and the Seattle Center campus. The agreements outline a shared vision which would provide a seamless and integrated signage experience for campus and Arena visitors alike. Terms of the

agreements include provisions requiring a shared usage as well as shared expenses and revenues for the signs on a proportional basis. For operational reasons, it makes the most sense for the City to own and operate those signs located on city owned or controlled property. Initially Seattle Center expected to be able to fund its share of the signs from CIP sources and incremental sponsorship revenues. Unfortunately addressing the financial impacts of COVID-19 on the Center's operating budget required redirecting those incremental revenues. Therefore, a new financing plan is needed.

While the signage proposal does provide for enhanced sponsorship opportunities, the primary function of this investment is to improve the overall visitor experience at Seattle Center. Currently, Seattle Center promotes its resident arts and culture organizations, events such as Festál programs and the Seattle King County Clinic, and sponsor recognition primarily through static signs and banners. The new digital signage will dramatically increase the capability to prominently display real time information and to assist our patrons in finding their way on the 74-acre campus. Over the past three plus years of community engagement related to the Arena project, enhanced signage and wayfinding has often topped the list of requests from Seattle Center's neighbors and resident organizations.

Seattle Center has identified incremental sponsorship revenue, over and above the amounts in its adopted budget to cover its share of debt service. Per the Transaction Documents, ArenaCo has the exclusive right to sell and maximize campus sponsorships. ArenaCo estimates that campus sponsorships will total \$4,000,000 annually. Further, ArenaCo has already obtained \$3,200,000 in sponsorship commitments related to the Seattle Center campus and fully anticipates achieving or exceeding the \$4,000,000 goal. Based on this gross revenue estimate, Seattle Center anticipates its share of sponsorship revenues to be close to \$1,500,000 annually. Of this amount, \$1,155,000/year (2022) is already committed towards the department's operating budget. This leaves between \$200,000 - \$300,000/year of additional sponsorship revenue available annually.

Assuming an \$8,000,000 loan with a 10-year term and interest rate of 1.5%, debt service is estimated to be about \$900,000/year. A one-time 2% cost of debt issuance is also assumed. As stated above, of the \$900,000 annual debt service, Seattle Center would only be responsible for paying 25% (\$225,000) while ArenaCo would be obligated to fund the remaining 75% (\$675,000). Given the projected Sponsorship revenues generated by this investment, Seattle Center should generate sufficient incremental revenue to cover this signage loan proposal.

The following table provides the revised details of the bond issuance with the inclusion of the Seattle Center signage project:

Description	Approximate Project Fund Deposit	Approx. Par Amount (1)	Max. Term	Approx. Rate	Debt Service		Debt Service Funding Source
					Estimated 2021	Estimated 2022	
Seattle Municipal Tower Elevator Rehab	8,500	8,755	10	1.2%	178	880	FAS Rates- Space
Fire station 31	11,283	11,621	20	1.7%	212	689	REET I
Human Capital Management System	7,500	7,725	8	0.9%	164	954	FAS
Computing Services Architecture	6,430	6,623	8	0.9%	140	820	IT Rates
Data and Telephone Infrastructure	11,503	11,848	8	0.9%	251	1,463	IT Rates
Criminal Justice Information System Projects	10,000	10,300	8	0.9%	218	1,271	General Fund
Alaskan Way Main Corridor (CPT-2.5%)	10,000	10,300	20	1.7%	188	609	CPT 2.5% (2)
Overlook Walk and East-West Connections Project (CPT-2.5%)	4,260	4,388	20	2.6%	38	261	CPT 2.5% (2)
West Seattle Bridge Immediate Response	97,200	100,116	20	1.7%	1,822	5,909	REET II
W. Marginal Way (WSB)	2,800	2,884	20	1.7%	53	169	REET II
Aquarium Expansion	9,000	9,270	20	2.6%	80	556	REET I
Pike Place Market	6,000	6,180	10	1.5%	31	647	BIRF
Various Transportation Projects	22,000	22,660	4	0.4%	514	5,469	Move Seattle Levy
Seattle Center Signage	8,000	8,240	10	1.5%	41	862	Seattle Center
Total 2019 Bonds	214,476	220,910			3,930	20,559	

(1) Includes 3% for costs of issuance and pricing adjustments.
 (2) Receipts from additional 2.5% commercial parking taxes.

2. CAPITAL IMPROVEMENT PROGRAM

Does this legislation create, fund, or amend a CIP Project? ___ Yes X No
 This legislation would \$8 million to provide financing for electronic signage and reader boards at the Seattle Center. [Please see Project MC-SC-S9118 in the City's Adopted Capital Improvement Program.]

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? ___ Yes X No

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department?
No.
- 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?**

None

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.**

No

- 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

List attachments/exhibits below:

February 25, 2021

MEMORANDUM

To: Finance and Housing Committee
From: Brian Goodnight, Analyst
Subject: Council Bill 120006: 2021 LTGO Bond Ordinance Revision for Seattle Center Signage Project

On March 2, 2021, the Finance and Housing Committee will discuss and possibly vote on Council Bill (CB) 120006, proposed legislation that would authorize amending the 2021 multipurpose limited tax general obligation (LTGO) bond ordinance to include \$8 million of financing for a Seattle Center signage upgrade project. This memorandum provides background information on prior related Council actions, summarizes the financial terms for funding the signage project, and provides a brief project description.

Background

LTGO Bond Ordinance

On November 23, 2020, along with related budget legislation, the Council passed [Ordinance 126219](#) authorizing the issuance and sale of LTGO bonds to pay all or part of the costs of various elements of the City's capital improvement program (LTGO Bond Ordinance). As approved, the legislation authorized the sale of up to \$212.7 million in bonds to support 13 projects and the costs associated with issuing the debt. The 13 projects are listed in Exhibit A to the ordinance. The Finance and Administrative Services Department is currently working on the process for issuing the bonds with the sale tentatively scheduled to occur in early May.

City's Relationship with Seattle Arena Company

In January 2017, the City released a Request for Proposals for the redevelopment of KeyArena. After receiving and evaluating proposals, the City selected Oak View Group; and in December 2017, the Council passed [Ordinance 125480](#) authorizing a Memorandum of Understanding (MOU) with Oak View Group. Following the execution of the MOU, Oak View Group and its partners formed Seattle Arena Company (ArenaCo) as the entity that would redevelop, lease, and operate the Arena. In September 2018, the Council passed [Ordinance 125669](#), authorizing a series of agreements with ArenaCo for the redevelopment project.

Signage Project Financing

Seattle Center has reached tentative terms with ArenaCo on a new cost-sharing agreement for a comprehensive signage project on Seattle Center's campus, outside of the footprint leased by ArenaCo for Climate Pledge Arena. The estimated cost of the project is \$8 million, which is proposed to be funded with taxable LTGO bonds with a 10-year term, resulting in annual debt service of approximately \$900,000 beginning in 2022. Under the tentative agreement terms,

ArenaCo will pay for 75 percent of the project's debt service and Seattle Center will be responsible for the remaining 25 percent.

Seattle Center's portion of the debt service, approximately \$225,000 annually, is anticipated to be covered by new campus sponsorship revenue above what Seattle Center had previously forecasted for 2022 and beyond. Based on the sponsorship commitments that ArenaCo has already obtained and updated forecasts, Seattle Center now expects its portion of campus sponsorship revenue to average slightly above \$1.5 million per year over the next ten years, which is \$200,000 – \$300,000 above previous expectations. Additionally, if the City's share of campus sponsorship revenues in a given year is not sufficient to cover its portion of the debt service payment, ArenaCo will agree to temporarily cover the City's remaining portion until Seattle Center is able to repay those funds.

In order to formalize the financial terms for the signage project, the City and ArenaCo will need to enter into a new agreement, known as the Signage Implementation Agreement. The agreement, which is currently being drafted, will detail each party's responsibilities with respect to developing and financing the signage project. The agreement will not require separate Council approval because Council granted the Executive the authority to enter into this type of agreement previously via Ordinance 125669. Seattle Center intends, however, to request additional appropriation authority from the Council as part of the 2021 Second Quarter Supplemental Budget package to be able to spend the bond proceeds to purchase and install the signage improvements.

Signage Project Description

The signage project involves replacing or upgrading existing signage and the addition of new electronic signage with the goal of creating a comprehensive signage infrastructure on campus that is consistent with the signage program for Climate Pledge Arena. The campus's existing electronic signage is over ten years old and has reached the end of its useful life. Additionally, much of the existing signage on the interior of the campus is analog (e.g., posters, banners, sandwich boards, etc.) that are not as flexible or easy to change as electronic signage.

In addition to installing the electrical distribution and conduit infrastructure necessary for the new signage, the project intends to install or upgrade the following types of signs:

- Art walk displays;
- Campus readerboards;
- Digital pole banners;
- Digital poster;
- Facility readerboards;
- Information kiosks;
- Parking garage signage; and
- Wayfinding pylons.

The new signage will be owned by the City and will be installed on property owned or controlled by the City. Attachment 1 to this memorandum includes a map of the intended locations for the new signage. The signage will be used for both commercial (e.g., sponsor recognition, information about ticketed events) and non-commercial (e.g., wayfinding, event promotion for resident organizations) purposes.

Seattle Center intends for the majority of the new signage and associated infrastructure to be operational in time for the opening of Climate Pledge Arena, currently scheduled for late September or early October.









Attachments:

1. Campus Signage Sign Location Plan

cc: Dan Eder, Interim Director
Aly Pennucci, Budget and Policy Manager

CAMPUS SIGNAGE SIGN LOCATION PLAN

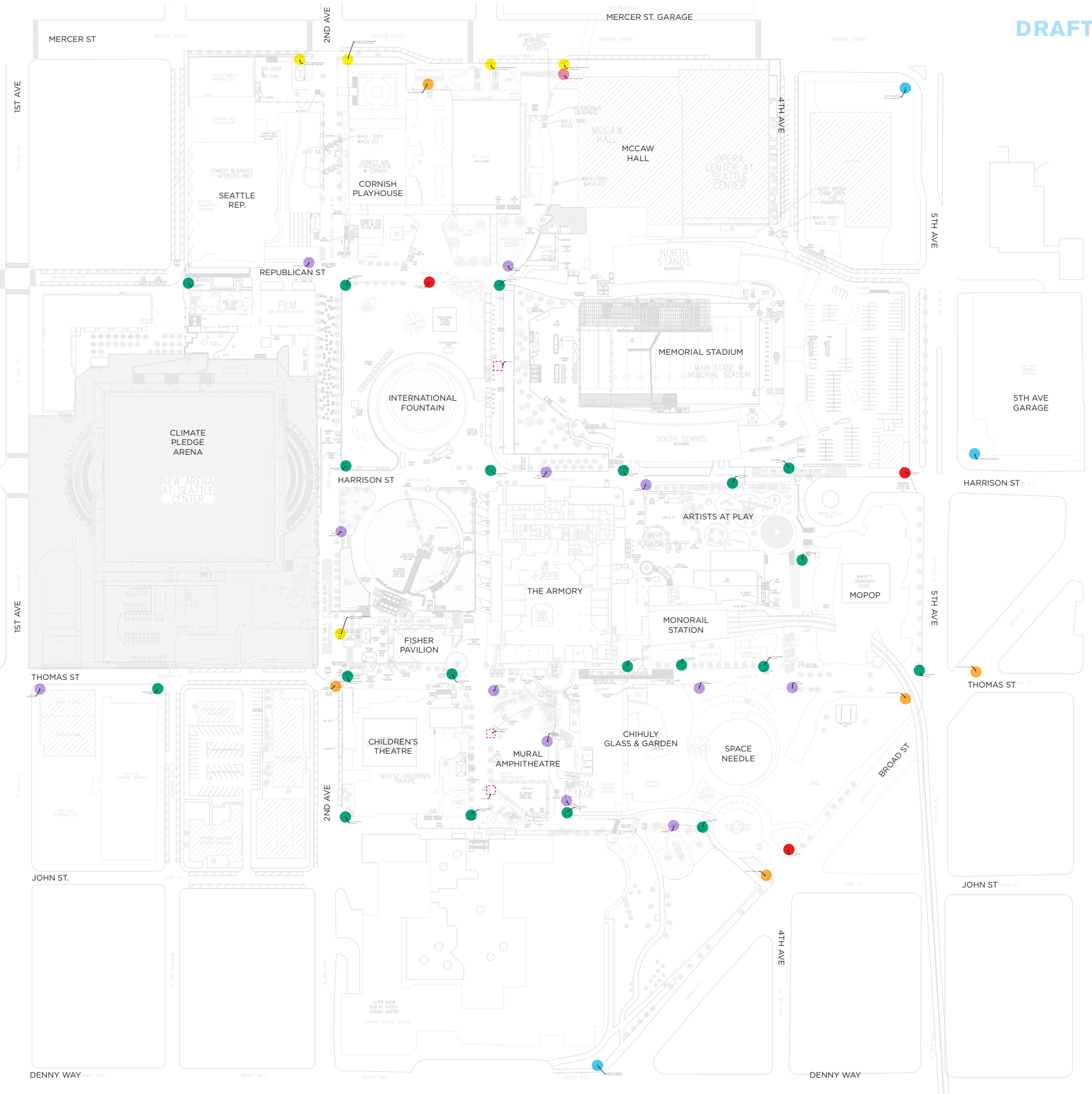
DRAFT

	SIGN TYPE	DISPLAY TYPE	QTY STUDIED	QTY APPROVED
	WAYFINDING PYLON	DIGITAL CHANGING IMAGE	20	18
	ENTRY MARKER	STATIC	5	TBD
	CAMPUS READERBOARD	DIGITAL CHANGING IMAGE	3	3
	POLE BANNER	DIGITAL CHANGING IMAGE	12	8-10
	FACILITY READERBOARD	DIGITAL CHANGING IMAGE	5	4
	ART WALK DISPLAY	DIGITAL CHANGING IMAGE	3	3
	INFORMATION KIOSK	DIGITAL CHANGING IMAGE	3	3
	DIGITAL POSTER	DIGITAL CHANGING IMAGE	1	1

Additional Notes:

Proposed updates to identification and wayfinding signs in and around the Seattle Center garages are not included in this map. The proposed exterior garage signs are static or digital text/numeric and do not contain full color images.

The 3 proposed Art Walk Display signs will correspond to small static medallions identifying public artworks on the campus and Arena grounds. The static medallions are not included in this map.



Seattle Center Campus Signage Proposal

Seattle Center



Project Description

Current

- 150 static signs of varying types and ages creates visual clutter on campus.
- Existing digital readerboards are outdated and at end of life.
- Lack of consistent real time information for customers.

Proposed

- Install a comprehensive signage upgrade for all campus signs.
- Key components – updated variable messaging signs, wayfinding signs, information kiosks, campus pole banners, entry markers and facility reader boards plus related infrastructure to power and connect the signs.
- Consistent with public feedback and previously approved Arena agreements.

Key Benefits

- Improved visitor experience. Simplifies and declutters the campus.
- Promotes campus arts and cultural institutions programming.
- Provides a sustainable revenue stream to support public programming.
- Aligns campus signage with arena signage for consistent “look and feel.”
- Eliminates waste associated with temporary signage.
- Allows for flexibility to communicate in multiple languages.
- Allows coordinated communication during emergencies.
- Maintains the Center’s competitive edge as a public gathering place.

Financial Terms

Financing

- Cost: \$8,000,000. Funding proposed as taxable LTGO bonds.
- Repayment over 10-year term with debt service shared between ArenaCo 75% and City 25%.
- ArenaCo will guarantee 100% of the debt expense, including Seattle Center share (debt backstop). Should the backstop be triggered, parties will agree to a specified repayment plan.
- Principal debt repayment will commence in 2022, with an initial small interest payment in 2021.

Financial benefits









- Sponsorship revenue tied to signage is estimated to produce \$4M annually. Incremental revenue split ArenaCo 75%; Seattle Center 25%. Estimate \$630K in added revenue annually to Seattle Center (above ArenaCo required base level payments).
- Years 11+ of the lease agreement, funding split with ArenaCo increases to 50/50 giving substantial potential “upside” to Seattle Center.
- Funding will include annual maintenance and replacement funding.

Ownership / Schedule

- City will own and operate campus signs.
- Seattle Center approval of all content.
- Bidding and Construction 3rd and 4th quarters 2021.

CAMPUS SIGNAGE SIGN LOCATION PLAN

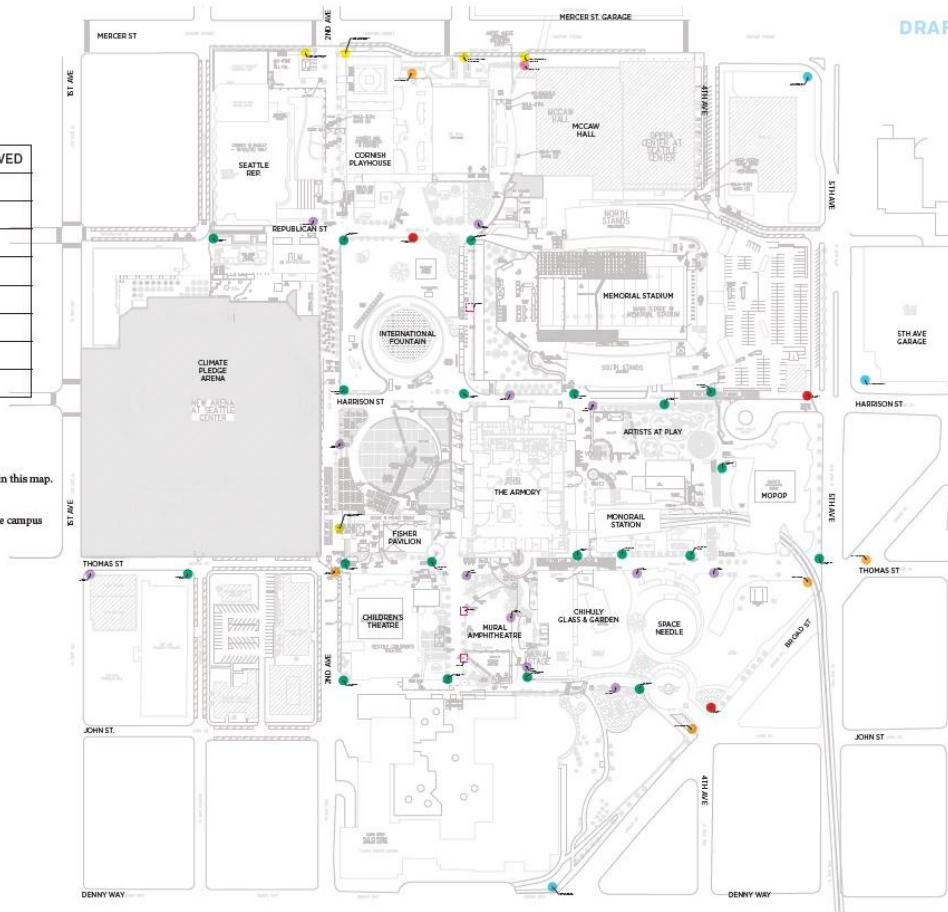
DRAFT

SIGN TYPE	DISPLAY TYPE	QTY STUDIED	QTY APPROVED
 WAYFINDING PYLON	DIGITAL CHANGING IMAGE	20	18
 ENTRY MARKER	STATIC	5	TBD
 CAMPUS READERBOARD	DIGITAL CHANGING IMAGE	3	3
 POLE BANNER	DIGITAL CHANGING IMAGE	12	8-10
 FACILITY READERBOARD	DIGITAL CHANGING IMAGE	5	4
 ART WALK DISPLAY	DIGITAL CHANGING IMAGE	3	3
 INFORMATION KIOSK	DIGITAL CHANGING IMAGE	3	3
 DIGITAL POSTER	DIGITAL CHANGING IMAGE	1	1

Additional Notes:

Proposed updates to identification and wayfinding signs in and around the Seattle Center garages are not included in this map. Details on the garage signage can be provided separately if desired.

The 3 proposed Art Walk Display signs will correspond to small static medallions identifying public artworks on the campus and Arena grounds. The static medallions are not included in this map.





Legislation Text

File #: Res 31991, **Version:** 1

CITY OF SEATTLE

RESOLUTION _____

A RESOLUTION establishing a Watch List of large, complex, discrete capital projects that will require enhanced quarterly monitoring reports for the 2021 calendar year.

WHEREAS, Seattle’s Capital Improvement Program (CIP) identifies planned spending and revenues for City capital projects during the upcoming six-year period; and

WHEREAS, updates to the CIP are adopted by the Seattle City Council (“Council”) as part of the annual and supplemental budget process; and

WHEREAS, CIP oversight is a critical function of the Council; and

WHEREAS, effective CIP oversight ensures transparent, accountable use of public dollars; and

WHEREAS, the Council’s ability to perform effective capital oversight is dependent on access to thorough information and the opportunity to review and process this information in a timely manner; and

WHEREAS, some capital projects such as the City’s Elliott Bay Seawall Project and the utilities’ New Customer Information System cost millions of dollars more their original proposed budget; and enhanced, timely reporting could have improved the Council’s oversight by communicating potential project risks before the risks were realized; and

WHEREAS, oversight for the 2020-2025 Adopted CIP was improved via Council and City Budget Office review of capital project development and delivery, including seeking information from and holding conversations with some of the major capital departments on their project management practices and contingency budgeting, and conducting meetings to jointly discuss capital project issues across departments; and

WHEREAS, there is opportunity to continue improving CIP reporting and accountability to the Council and to use the Council's budgeting authority to improve financial oversight; and

WHEREAS, the City benefits from effective Executive management controls and Council oversight for projects that have a significant financial, policy, or programmatic impact on the City and its residents; and

WHEREAS, in November 2016 the Council adopted and the Mayor signed Resolution 31720 to "institute new rigor in capital project oversight that will increase appropriate and timely oversight and provide more transparency to the public," through, among other things, "[e]nhanced regular CIP reporting developed in conjunction with the City Budget Office, including but not limited to quarterly reports to the Budget Committee on project scope, schedule, or budget deviations"; and

WHEREAS, in order to provide uniformity across City departments, and to communicate progress of projects during the budget process and in monitoring reports, City capital departments agreed to use common terminology identifying project stages; and

WHEREAS, the City Council imposed stage-based provisos for selected projects in 2018 and 2019 to allow spending of authorized appropriations only for specified activities unless and until the City Council passes future separate ordinances lifting such provisos; and

WHEREAS, the Council adopted Resolution 31853, establishing enhanced reporting requirements for the City's Capital Improvement Program projects and establishing the City's intent to use a stage-gate appropriation process for selected projects; and

WHEREAS, the Council has annually adopted a Watch List of projects since 2019, consistent with Resolution 31853; and

WHEREAS, on January 14, 2021, the Executive transmitted for Council's consideration a Proposed Watch List of projects requiring enhanced quarterly reports consistent with Resolution 31853; NOW,

THEREFORE,

**BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SEATTLE, THE MAYOR
CONCURRING, THAT:**

Section 1. The Seattle City Council (“Council”) establishes the following as the 2021 Watch List of capital projects as shown in Table 1:

Table 1: 2021 Watch List

	Dept	CIP Project ID	Project Title
A.	Fin. and Admin. Services	MC-FA-FS31	Fire Station 31 Replacement
B.	Information Technology Department	MC-IT-C6304	Criminal Justice Information System Projects
C.	Seattle City Light (SCL)	MC-CL-ZT8307	Alaskan Way Viaduct and Seawall Replacement - Utility Relocations
D.	SCL	MC-CL-YR8351	Overhead Equipment Replacements (Pole Replacement)
E.	Seattle Department of Transportation (SDOT)	MC-TR-C072	Alaskan Way Main Corridor
F.	SDOT	MC-TR-C040	Center City Streetcar Connector
G.	SDOT	MC-TR-C073	Overlook Walk and East-West Connections Project
H.	SDOT	MC-TR-C051	Madison BRT - RapidRide G Line
I.	SDOT	MC-TR-C013	RapidRide Roosevelt
J.	SDOT	MC-TR-C030	Northgate Bridge and Cycle Track
K.	SDOT	MC-TR-C042	Delridge Way SW - RapidRide H Line
L.	SDOT	MC-TR-C110	West Seattle Bridge Immediate Response
M.	SDOT	MC-TR-C102	Northlake Retaining Wall
N.	Seattle Parks & Recreation (SPR)	MC-PR-41040	Lake City Community Center Improvements
O.	SPR	MC-PR-21007	Parks Central Waterfront Piers Rehabilitation
P.	Seattle Public Utilities (SPU)	MC-SU-C3614	Ship Canal Water Quality Project
Q.	SPU	MC-SU-C3806	South Park Stormwater Program

Section 2. The Council requests that the Mayor submit an enhanced quarterly report for each project on the 2021 Watch List in the manner and on the timeline described in Resolution 31853. The Council further requests that the Mayor continue to provide information as soon as practicable about these and other large, complex, discrete capital projects whenever significant budget, schedule, or scope risks are developing that may require Council decisions. Similarly, and consistent with Resolution 31853, the Council invites the Mayor to add any other projects to the 2021 Watch List through the course of the year and then to provide enhanced quarterly reporting for those other capital projects in order to enable the Council to make critical policy choices - changing funding, adjusting scope, etc. - as early as possible and before identified risks develop into actual implementation challenges.

Section 3. The Council intends to review the enhanced quarterly reports and to determine whether and how to stage Council approval of funding for each project on the 2021 Watch List.

Section 4. The City Council anticipates that the Finance and Housing Committee (or successor committee) will review the enhanced quarterly reports.

Adopted by the City Council the _____ day of _____, 2021, and signed by me in open session in authentication of its adoption this _____ day of _____, 2021.

President _____ of the City Council

The Mayor concurred the _____ day of _____, 2021.

Jenny A. Durkan, Mayor

Filed by me this _____ day of _____, 2021.

Monica Martinez Simmons, City Clerk

(Seal)

SUMMARY and FISCAL NOTE*

Department:	Dept. Contact/Phone:	CBO Contact/Phone:
Legislative	Dan Eder/x4-8147	Caleb Wagenaar/x3-9228

** 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: A RESOLUTION establishing a Watch List of large, complex, discrete capital projects that will require enhanced quarterly monitoring reports for the 2021 calendar year.

Summary and background of the Legislation: This resolution establishes the capital projects with a significant financial, policy, or programmatic impact on the City and its residents. The resolution requests that the Executive provide enhanced quarterly reporting for this list of projects in a manner consistent with Resolution 31853.

2. CAPITAL IMPROVEMENT PROGRAM

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

3. SUMMARY OF FINANCIAL IMPLICATIONS

Does this legislation amend the Adopted Budget? Yes No

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?

If so, describe the nature of the impacts. This could include increased operating and maintenance costs, for example.

Is there financial cost or other impacts of *not* implementing the legislation? No.

3.a. Appropriations

This legislation adds, changes, or deletes appropriations.

Is this change one-time or ongoing? One-time.

3.b. Revenues/Reimbursements

This legislation adds, changes, or deletes revenues or reimbursements.

3.c. Positions

This legislation adds, changes, or deletes positions.

4. OTHER IMPLICATIONS

- a. Does this legislation affect any departments besides the originating department? Yes.**
The resolution requests that several Executive Departments provide enhanced quarterly capital project reports as shown in the resolution (Section 1, Table 1).
- 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? None identified.**
- 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. No.**
- 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 applicable.**

February 18, 2021

MEMORANDUM

To: Finance and Housing Committee
From: Dan Eder, Interim Director
Subject: 2021 Watch List – Enhanced Quarterly Reporting for Capital Projects

On February 19, 2021, the Finance and Housing Committee (Committee) will consider and may vote on [Resolution 31991](#) memorializing the selection of capital projects for which the Executive will provide enhanced quarterly reporting (“2021 Watch List”).

Consistent with [Resolution 31853](#) (adopted in 2018), the Executive submitted a proposed 2021 Watch List on January 14, 2021. The Executive’s proposed 2021 Watch List is reflected in the resolution as a starting place for Council’s consideration. The Committee can add to or otherwise change the list by amending the resolution. However, the Executive requests that the 2021 Watch List be kept to a manageable size because it is a non-trivial effort to compile the enhanced quarterly reports. The proposed list is provided in Table 1.

Table 1: Proposed 2021 Watch List

	Dept	CIP Project ID	Project Title
a.	Fin. and Admin. Services	MC-FA-FS31	Fire Station 31 Replacement
b.	Information Technology Department	MC-IT-C6304	Criminal Justice Information System Projects
c.	Seattle City Light (SCL)	MC-CL-ZT8307	Alaskan Way Viaduct and Seawall Replacement - Utility Relocations
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g.	SDOT	MC-TR-C073	Overlook Walk and East-West Connections Project
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k.	SDOT	MC-TR-C042	Delridge Way SW - RapidRide H Line
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m.	SDOT	MC-TR-C102	Northlake Retaining Wall
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p.	Seattle Public Utilities (SPU)	MC-SU-C3614	Ship Canal Water Quality Project
q.	SPU	MC-SU-C3806	South Park Stormwater Program

Consistent with Resolution 31853, the Executive plans to submit an enhanced quarterly report substantially in the form shown in Attachment A for each project selected to be on the 2021

Watch List. Additionally, the Executive will provide summary level information about the other capital projects (i.e., all non-programmatic capital projects that are *not* on the 2021 Watch List).

Background:

The Council established expectations for enhanced reporting requirements for Capital Improvement Program projects in November 2018 through Resolution 31853. This resolution established a detailed format for the quarterly reports and a process for determining an annual “Watch List” of projects for which the Executive would provide quarterly reports. Specifically, by January 15 of each year, the Executive will propose a list of projects for inclusion on the annual Watch List. The Council communicated its intent to establish a final annual Watch List by resolution.

In Resolution 31853, the Council signaled an intent to:

“provide heightened [capital project] oversight ... on selected capital projects with unclear scopes; shifting estimated costs; uncertain capital funding plans; ill-defined operating costs, plans, or funding plans; and other perceived significant questions about scope, schedule, and budget” (Resolution 31853 at Section 6).

Due to the pandemic, the Executive submitted only abbreviated versions of the quarterly reports for projects on the 2020 Watch List.

Attachments:

- A. Enhanced Quarterly Report Format for 2021 Watch List Projects

Attachment A. Enhanced Quarterly Report Format for 2021 Watch List Projects

Specific project details utilized for illustrative purposes.

CIP Quarterly Monitoring Report	CIP PROJECT TITLE	Qx 2021
READER'S GUIDE TO WATCH LIST MONITORING REPORT		

Project Overview

Department:	SDOT
Project ID:	MC-TR-C037
Project Name:	Project A
Current Project Stage:	Stage 3: Design

Project Summary

Departments provide a summary of the CIP Project and explain what work was accomplished during the previous quarter.

**Department Submits Project Photo of Progress
Made in Current Quarter (or rendering for
projects that are not in construction).**

		2018			
		Q1	Q2	Q3	Q4
Project Risk Profile and Mitigation Plan	Risk Status:				

Risk indicators are driven by six primary risk factors: Scope, Schedule, Budget, Coordination (Interdepartmental, and Outside Agency), Community Impact, and Political. Departments rank their risk on a scale of 1 (low) to 3 (high) and the indicator light is based on the average of those scores. A Green indicator means the department has ranked all their risk elements as a "1". A Yellow indicator means that, at a minimum, two or more risk elements have been ranked as a "2". A Red indicator is triggered if any risk element has been ranked as a "3" or all risk elements have been ranked at a "2".

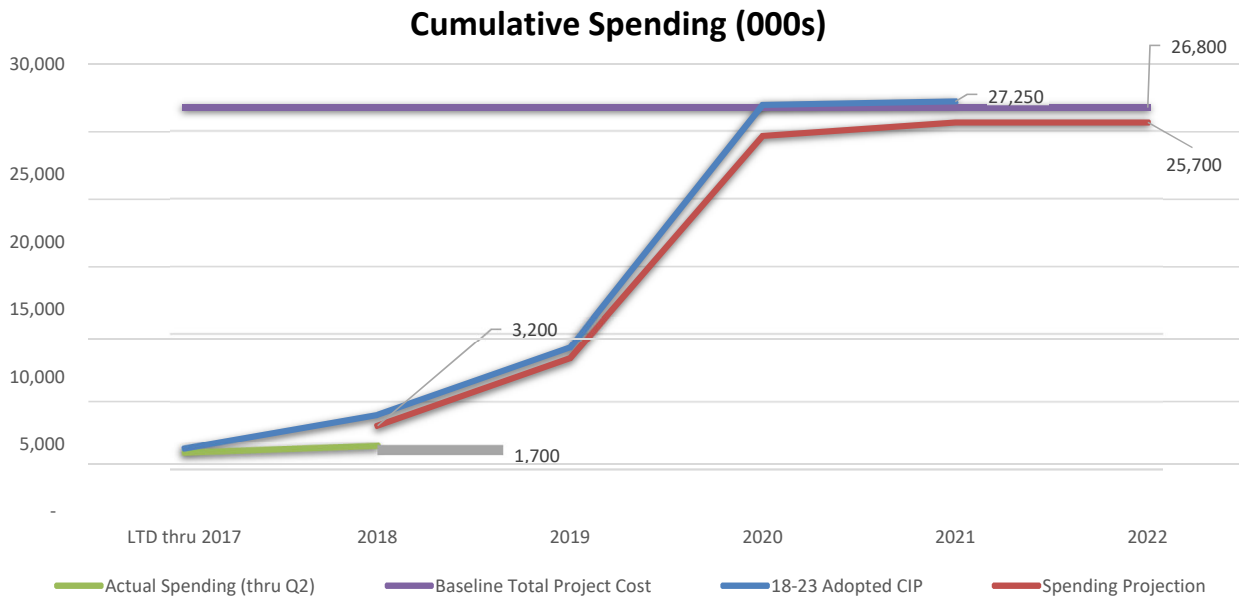
A **Green** indicator light means that the department has mitigated all known risks and they do not anticipate needing Council action in the near future. A **Yellow** indicator means that the department has identified a number of risks and has mitigated most of them, but there is a chance that they could have project impacts, which could require Council action. A **Red** indicator means that risks are present that do not have mitigation in place and will most likely require Council action.

We recognize that these risks categories are not independent variables and one risk factor directly influences another. Therefore, the risk indicator average is not a scientific measure but rather a judgement by the departments. With that in mind, we have encouraged the departments to use this narrative section to explain the risk ranking and elaborate on risks that are continuing, or emerging.

READER'S GUIDE TO WATCH LIST MONITORING REPORT

The Budget Summary Table and Chart are for illustrative purpose.

Budget Summary (000s):	LTD thru						Total
	2017	2018	2019	2020	2021	2022	
Baseline Total Project Cost							26,800
18-23 Adopted CIP	1,500	2,500	5,000	18,000	1,000	250	28,250
Actual Spending (thru Q2)	1,200	500					1,700
Spending Projection	1,200	2,000	5,000	16,500	1,000	-	25,700
Projection Variance (Over/(Under))							(2,550)



Explanation for Adopted CIP Budget to Projection Variance (if applicable)

In this section departments provide a summary of the budget. The narrative in this section will focus on the spending projection and what is driving any variance from the Adopted Total Project Cost. Note that the Chart is Cumulative each year in order to display the totals over the life of the project.

Baseline Total Project Cost: For new projects that come into the CIP and are included as Watch List projects, the Baseline Total Project Cost will be established and included at the 30% Design milestone. This will provide a benchmark from which to measure project cost and scope adjustments. Many of the projects we are reporting on in this new Q2 monitoring report are in late stage design or construction. Therefore, we default the previous Adopted Total Project Cost as the Baseline Total Project Cost.

18-23 Adopted CIP: This is the budget that was included in the 2018-2023 Capital Improvement Program, and what was displayed on the Project Page.

Actual Spending: This the Life to Date Spending through the prior year, and the Year to Date spending through the current period.

Spending Projection: This is the amount the department is forecasting they will spend on the project as of the current period.

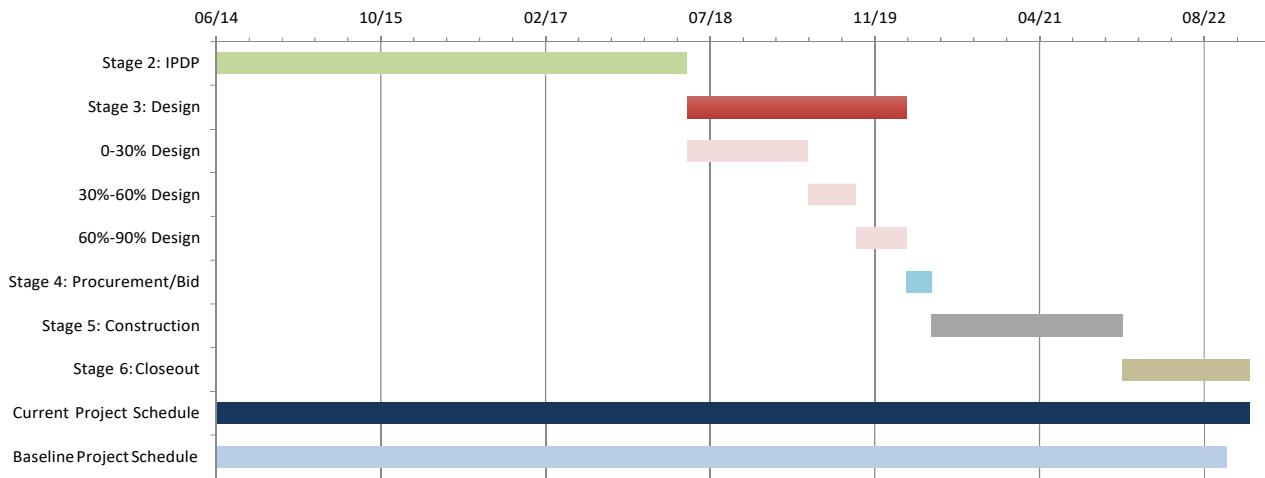
Projection Variance (Over/(Under)): This is the variance between the Adopted CIP amount, and the Spending Projection.

READER'S GUIDE TO WATCH LIST MONITORING REPORT

Project Schedule v Original Baseline Schedule

Start: 6/1/2014

End: 10/26/2022 (Projected)



Explain Schedule Variance

The schedule section provides an opportunity for a department to discuss any schedule milestones and/or schedule variances. Because we are implementing this new approach to monitoring in the middle or late stages of some large projects, we will be modifying the schedule chart accordingly. Some of the current Watch List projects will not show the schedule by each stage because the stage was completed many months, or years ago. For all new projects, we will include a schedule for each stage of the project. As we update the schedules, we will keep a "baseline" schedule to which we can compare the current project schedule.

For some projects, this section will include the schedule for the key elements of design (30%, 60%, 90%). These are important milestones in a project's development because of key scope decisions that must be made. This schedule information will help to inform Council on when they should weigh in on these elements of the project.

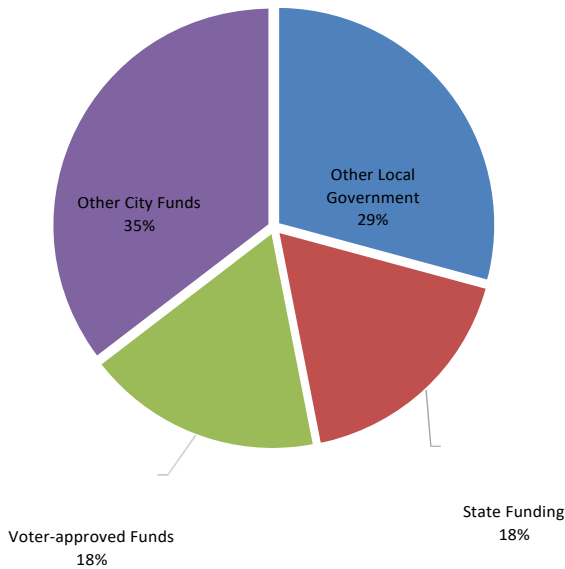
READER'S GUIDE TO WATCH LIST MONITORING REPORT

Project Funding by Source (000s)

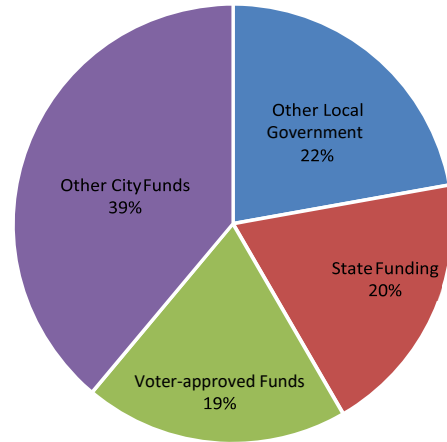
Adopted CIP Funding: \$ 28,250

Projected Funding: \$ 25,700

Adopted CIP Funding Plan



Projected Funding Plan



Funding Variance	Adopted	Projection	Δ
Other Local Government	8,250	5,700	(2,550)
State Funding	5,000	5,000	-
Voter-approved Funds	5,000	5,000	-
Other City Funds	10,000	10,000	-
Total	\$ 28,250	\$ 25,700	\$ (2,550)

Action Plan to Address Funding Gap (if applicable)

The "Project Funding by Source" section is where the department will communicate its plan to address any potential funding gaps. Projects with Red indicator lights (and sometimes yellow) will almost always have a budget/financial risk and therefore a funding strategy will be included. If the variance to budget is large enough, the department will come to Council to approve the new funding.

The Project Funding by Source page is not included for Utility Watch List projects because those projects are generally fully funded by rates.



Legislation Text

File #: Inf 1763, **Version:** 1

Federal Funding and Council Priorities



Legislation Text

File #: Inf 1762, **Version:** 1

Hotel Assistance Update